

Automotive News

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Compacts from Ford



Tempo is upbeat

Ford Division's new compact Tempo, heir to the Fairmont bread-and-butter sales role, sports Ford's new aerodynamic styling. It is powered by a new High Swirl Combustion 2.3-liter engine, which is similar to the current Ford 2.3 only in its displacement. The new engine uses PROCO technology and is Ford's first "fast-burn" powerplant. Story on Page 65.



Mercury's jewel—the Topaz

Mercury's version of the new-generation compact is the Topaz, which features somewhat different styling than the Tempo, but shares the "fast-burn" 2.3-liter engine. Ford figures the car's EPA mileage rating will be 28 city and 43 highway. The good numbers are largely a function of the shape, which is as functionally aerodynamic as it looks.

GM's car divisions to lose their home-plant identity

By Marjorie Sorge
Labor Editor

The home plants of General Motors car divisions will no longer have exclusive assembly rights by the mid-1980s, according to F. James McDonald, GM president.

"Eventually home plants will be building more than their own cars," he said. "They will be home plants in that they will probably be managed by the (divisional) people there."

He emphasized that the divisions will still have their own engineering, sales, personnel and financial capabilities and in many cases component operations.

During this change, GM is also aiming at a greater specialization of its car divisions—giving each group a special look for its products.

For example, Chevrolet has long been known as the entry level division for buyers. It also represents GM's high-volume competition against imports, McDonald said. Those two characteristics will be even further emphasized in the future, he said.

GM will tend to pull Chevrolet even further away from the other divisions, he said.

While it will basically return to the entry-level arena, he said Chevrolet will have some higher-priced vehicles. But it will not be in the luxury business. However, Chevrolet will "always have the Corvette," McDonald said.

"The market has gotten so that there is more opportunity for specialized things and I think you are going to see more ideas coming from the divisions in the specialty markets, the convertibles, those types of things."

• One of the big questions is which divisions will sell the new GM/Toyota car if that deal is consummated. According to McDonald, the decision will be based on which divisions want it, the size of the car, which division has worked the hardest, where the car fits in the marketplace and which division is covering that end of the market.

As the new GM strategy of specialization goes into effect, the divisions will be serving different market segments, McDonald indicated. In design, the cars could be vastly different, depending on the specific components involved, he said. The criterion will be that the buyers can recognize the difference between each division's products. Many observers feel that that is not the case today.

"From a marketing standpoint, the more specifics we can give a division, the more competitive we will be in the marketplace," McDonald said.

It has been rumored that GM will phase out the Pontiac division or perhaps merge it with a sister unit. According to McDonald, that is not in GM's future plans.

"We have been asked 'Can you afford to have all of those divisions? Wouldn't you be better off to drop a division?' he said. "Perhaps if we were starting with a clean sheet of paper on everything, we might look at things differently. But if you take Pontiac right now . . . you can't take that Pontiac franchise away and make it an Olds or Chevrolet. You can't assume that you are going to get that business back (at the Chevrolet

or Olds dealership) and that is a heck of a gamble we sure wouldn't want to take."

At Oldsmobile, changes are also taking place. The home plant in Lansing will build the new front-wheel-drive N-car at both assembly facilities but the car will belong to more than one division.

Oldsmobile has two assembly plants at its complex in Lansing both capable of producing 60

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Cut-rate car financing draws federal probe

By Jim Plegue
Staff Writer

The recent wave of cut-rate financing plans—some with advertised interest rates as low as 4.9 percent — has prompted a federal probe to determine if some programs are in violation of Truth in Lending laws.

The Federal Trade Commission, which enforces Truth in Lending, and the Federal Reserve Board, which interprets the laws, began the investigation after receiving inquiries through regional offices in many parts of the U. S.

Most of the dealer promotions appeared last month—and ran for short periods of one to eight days—with interest rates ranging from 4.9 to 9.9 percent, compared with current factory-subsidized financing programs of 11.9 percent.

The promotions appeared in the South, Midwest and North Central parts of the U. S. in several major cities such as Chicago, Detroit, Minneapolis/St. Paul, Toledo and Omaha.

The majority of the dealer plans required a large down-payment—in either cash or trade equity—of 20 to 25 percent, and contracts were limited to 36 months. Many programs required conditional purchases of extended service contracts, rust-proofing and other options.

Some dealers offered the financing on trucks only.

In most cases, financing was arranged through a local bank by buying down from the bank's current rate. Some Ford dealers convinced banks to accept factory subvention money to lower the rate to 11.9 percent.

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FTC keeping close eye on any GM-Toyota deal

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — Antitrust experts knowledgeable about the auto industry have been on standby alert for some months now awaiting an announcement that General Motors and Toyota have reached agreement on a joint venture to produce a front-wheel-drive car similar to the Corolla in GM's idle Fremont assembly plant in California.

Although not a merger or acquisition, this kind of getting together by two such huge companies would be examined almost routinely either by the Justice Department or the Federal Trade Commission, both of which have jurisdiction over matters automotive.

In this case, however, the FTC gets the job. After staff has made recommendations, the commissioners themselves—ex-

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breaking news

Central Foundry to control all GM foundries

DETROIT.—General Motors has announced that effective immediately its Central Foundry Division based in Saginaw will have operational responsibility for all major GM foundry operations in the U. S. This includes the transfer of Chevrolet Grey Iron and Nodular Casting plant in Saginaw, and the Chevrolet Metal Casting plant in Tonawanda, N. Y., to the Central Foundry.

Tempo/Topaz to debut May 26

DETROIT.—Ford Motor has pushed its Tempo/Topaz introduction date back to May 26 from May 5. The delay is to work all the pre-production bugs out of the system and ensure higher quality on early models, a spokesman said.

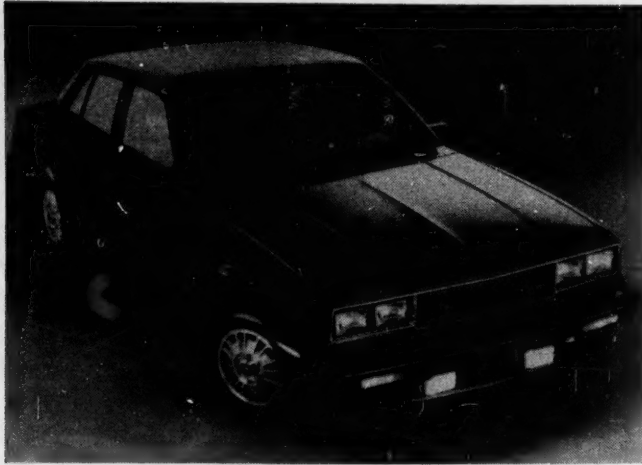
Mitsubishi Montero to be unveiled Feb. 26

CHICAGO.—The '83½ Mitsubishi Montero, a four-wheel-drive sports utility vehicle, will make its U. S. debut Feb. 26 at the Chicago Auto Show.

4WD Eagle to be Alliance-based in 1985

DETROIT. — American Motors will replace its current Eagle four-wheel-drive series with an Alliance-based 4WD Eagle in 1985. The Alliance-Eagle will be in the vein of a Subaru-type vehicle. AMC will drop its Spirit/Concord lines this fall.

See BREAKING NEWS, Page 8, Col. 1



Coming: Cadillac Cimarron D'Oro

Cadillac will begin production in late February of a special-edition Cimarron, called the D'Oro. It will feature black paint and trim with gold-tone grille, accent stripes and ornaments. Aluminum alloy wheels also have gold-tone accents and steering wheel spokes are gold tinted. Option package is \$350.

Data 7 times worse than Camaro

Fuego numbers high in crash at 35

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — Crucial crash data on a 1982 Renault Fuego is about seven times worse than the competing 1982 Chevrolet Camaro, more than five times worse than the competing 1982 Toyota Celica and more than three times worse than what is believed to be survivable by even a hardheaded, healthy young person in an actual crash.

The test—run last September by Dynamic Science, Inc., a Phoenix-based contractor to NHTSA—was a high-speed one (almost 35 MPH into barrier or about one-third tougher than the usual compliance speed of 30-MPH barrier).

And while pass/fail may not be an accurate description, it is fair to say that no driver—however sober and buckled-up—could survive a reading of 3768 Head Injury Criteria (HIC) and no passenger could survive a HIC of 2484, when a HIC of 1000 is generally taken to mean survivability.

Although this is a test of only one Fuego and NHTSA is doing research to find out if a single test is reasonably fair, the results are so dramatic and the car is selling so well (9,880 units in 1982) that it is surprising that NHTSA has not retested the vehicle with instrumented dummies.

But NHTSA has done no more testing, although it has reviewed, analyzed and studied the test itself—one that was at-

tended by a Renault official—and has validated the results.

Renault was given the opportunity to question the test results and did not.

An AMC spokesman said, "Fuego complies with all applicable federal safety standards."

"In reference to NHTSA's high-speed crash program," he said, "we agree with NHTSA's own description which says, 'It is important to emphasize that the program is experimental and only one model of each car was crashed in a specific test. Subsequent crash test results for any vehicle may vary due to differences in the way the cars are manufactured and equipped or due to slight varia-

Chrysler eyeing new hatchback for 1984 intro

DETROIT. — Chrysler Corp. tentatively plans to build a new hatchback sedan at its Jefferson plant here in 1984.

Charles Cook, president of UAW Local 7, said the company has shown the union sketches of the new car, but he emphasized that the introduction of the new H-body is tentative.

He said if it is built, production is about 15 months down the road.

The Jefferson plant currently builds the Reliant, Aries, Dodge 400, LeBaron, Dodge 600, Caravelle and Chrysler E-class cars.

According to a report in the Detroit Free Press last week, the new car is designed to compete head on with the Honda Accord. The paper said it will be sold as a 1985 model under both Dodge and Chrysler nameplates.

Company insiders also say Chrysler is looking at the new Peugeot 205, to be introduced in France at the end of this month, as a replacement for the Omni and Horizon in 1985.

A Chrysler spokesman said the company has no comment on 1985 products.

But, he said, the Jefferson Ave. plant is a key facility in Chrysler's long-term plans. It is the biggest single plant the company has, employing 4,200 hourly workers.

A gleam of hope for industry: 27,000 workers called back

By Marjorie Sorge
Labor Editor

There is a glimmer of optimism in the auto business as the Big Three have announced the recall of more than 27,000 hourly workers since the first of the year. However, at the end of January, there were still 265,400 hourly workers on indefinite layoff.

The two smallest auto makers, American Motors and Volkswagen of America, have not announced any callbacks. VWoA, caught in the middle of a severe sales famine, has indefinitely laid off 1,150 workers since the beginning of the year, bringing its indefinite total to 2,750 last week.

Of those laid off 2,420 have been cut at the Westmoreland

(Pa.) assembly plant, 170 at the South Charleston (W. Virginia) stamping plant and 160 at the Fort Worth component plant.

AMC, boosted by good Alliance sales, has kept its layoff total around 2,700 at the Toledo and Kenosha operations.

The largest recall by far is at General Motors which will call back more than 21,400 workers during the next three months. Besides component plants, most will be recalled at facilities building mid-size and compact cars and commercial vehicles.

"The assembly plant schedule increases are being made in response to current dealers' orders, which result from positive customer reaction to the 11.9 percent GMAC finance rate program," said F. James McDonald, GM president.

GM also said the increased employment will have a positive effect on outside supplier employment.

About 9,000 of the workers will be recalled at assembly plants and another 12,000 will be called back at component operations. Seven assembly plants will be effected.

On March 7, GM will increase production at its Arlington, (Tex.) plant, source of Malibu, Monte Carlo and Regal, adding 600 people.

The Oklahoma City plant, building the Century, Celebrity and Citation, will also increase production beginning April 25, recalling 2,800 workers.

The Lordstown (O.) car plant

will up output beginning March 7, returning 2,500 workers.

The Framingham (Mass.) plant, closed since last October, will reopen on one shift March 14, calling back 1,800 hourly workers. It will build Celebrity and Cutlass Ciera.

In addition, GM said, adding a second shift at the Van Nuys (Calif.) plant is "under study," but GM Chairman Roger Smith has said the shift will be added, recalling about 1,000 workers, although no timeframe has been decided. GM said a decision will be reached in about 30 days.

GM will also increase production at three truck plants. The van operation in Lordstown will up output on April 11, recalling about 300 workers. The St. Louis plant will resume second-shift operations for commercial vehicles on Feb. 28, returning 900. And the Detroit plant will also increase production on Feb. 7, adding 600 workers.

Other callbacks have occurred at various GM assembly and components plants. GM's indefinite layoff total at the end of 1982 was 172,000 and that had dropped to 168,000 the week of Jan. 24.

Chrysler Corp. has recalled 818 workers at its component plants since the beginning of the year.

Twinsburg (O.) Stamping has recalled 450; Sterling Stamping (Sterling Heights, Mich.), 184; Warren (Mich.) Stamping, 30; Amplex VanWert (Van Wert, O.), 19; Trenton (Mich.) Chemical, 13, and Huntsville (Ala.) Electronics, 122.

All those workers have returned to the job. In addition, 700 hourly workers have been called back to jobs at various component and assembly plants. Chrysler has now lowered its indefinite layoff total from 43,500 at the end of 1982 to 42,000 the week ended Jan. 21.

• Besides the current callbacks, Chrysler has announced it will reopen its St. Louis truck plant, mothballed in 1980, to build its rear-wheel-drive cars for 1984. The rebirth will provide about 1,500 jobs.

Chrysler will also build the new sporty G-24 at the car operation in St. Louis, adding between 1,400 and 1,700 jobs.

Ford Motor Co. has added 2,300 to its rolls. It will add a second shift at the Wixom (Mich.) plant, source of Lincoln, Mark VI, and Continental, on May 2. About 900 workers will be recalled beginning in mid-March.

Ford has also returned 550 at the Lorain (O.) car plant, source of Thunderbird and Cougar; 300 at the two Cleveland engine plants; 190 at Chicago Heights Stamping; 114 at Buffalo Stamping and 240 at Indianapolis Steering Gear.

Most of those recalls begin this week.

Ford has maintained a steady indefinite layoff rate of around 50,000 since the end of 1982.

Shhhhhh!

HARTFORD. — The Connecticut Legislature is considering a proposal that would ban lawnmowers, snow-blowers and other equipment from producing more noise than is now allowed for automobiles.

Iacocca speech at NADA parley on phone lines

DETROIT. — Chrysler Corp. has arranged with AT&T to make Chairman Lee Iacocca's keynote address to the NADA convention available for live listening by dialing 1-900-410-NADA.

AT&T has set lines so that as many as 8,000 callers simultaneously can hear Iacocca giving his talk on Feb. 12. He will speak at 1 p.m. Eastern Standard Time (4 p.m. Pacific Standard Time) at the NADA convention in Las Vegas.

The rate for a 45-minute call is about \$15.90 from anywhere in the country. AT&T said this was a first for the auto industry. It will enable Chrysler dealers, employees and others to hear the speech live.

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Built by American Pullman

American Pullman Coachbuilders, Inc., Brooklyn, N. Y., builds 36-inch and 46-inch stretch Cadillac-based limousines. This 46-inch model features color television and illuminated bar on the inside, air-shock suspension and exterior transmission-oil cooler on the outside. Options include trunk-mounted refrigerator, video-tape player and handset intercom system.

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58th year — No. 4953

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New president of NADA sees sales upturn

Continued from Page 24

board, and four regional vice presidents, and I believe in letting them all participate.

"If there's a function I should attend, I'll be there. If it's a function someone else might serve as well as better, then they should be there. The people standing behind you will never develop if you don't let them do things."

Like auto manufacturers, who view their operations as global, Turnbull sees the retail auto trade as a world marketplace. Noting that 38 percent of NADA members sell imported vehicles, either exclusively or as duals, Turnbull said, "Imports have been a great asset to many dealers, and in some instances have been the difference between profit and loss.

"They're (imports) here to stay whether we like it or not," he said, "and we have an international product market, whether we like it or not. We'll see more of it."

He said also that it's been "very good for dealers that they've been able to dual (domestic and import makes)." In his own case, Turnbull said, when Buick decided to stop merchandising the Japanese-made Opel in the U. S., he wrote Buick management and told them he was going to take on the Subaru line.

"We took on Subaru to gain a market segment not covered by Buick, which didn't have a product that hit the low-price buyer," he said.

• When he's not overseeing dealerships or attending NADA functions, Turnbull said he likes to "try to play golf," and he and his wife, Sydney, enjoy playing bridge very much. "It's relaxing."

As for vacations, he said, "I haven't taken a week off, in I don't know when. In our business there are always a number of meetings somewhere, someplace, and you get into the practice of taking an extra day on one side or the other. But a real vacation? I can't even remember."

Besides son Bill Jr., the Turnbulls have two daughters (Mrs. Charlotte Deligne and Mrs. Sally Atkins), five granddaughters and a grandson. Would the veteran retail vehicle seller, who started out as a gas pump jockey in the small West Virginia town in the late '40s, ever want his grandson, Lane, to work at a grease rack?

"Sure, no qualms about that at all. It's a good way to learn the business," said Gramps. "Sure, it's a business that changed a lot in my time, it's changing now and there'll be a lot more changes down the road.

"But if you like the automobile business, if you work at it and get personal satisfaction from it, then it's worthwhile. It has been for me," said the man who takes over the NADA president's gavel next week.

Wells to run SAMA

WALLINGFORD, Conn.—The Specialty Automotive Manufacturers Assn. is now under the management direction of Dick Wells & Associates, Newport Beach, Calif.

TRANSMISSION OPTIONS on 1982 U. S. Models

	Automatic Transmission	Percent of Output	4-Speed Manual	Percent of Output	5-Speed Manual	Percent of Output
AMERICAN MOTORS	55,057	77.7	8,047	11.3	7,794	11.0
Spirit	12,614	62.5	4,480	22.2	3,088	15.3
Concord	32,008	95.0	775	2.3	910	2.7
*Eagle	10,435	61.3	2,792	16.4	3,796	22.3
CHRYSLER CORP.	603,059	83.2	121,489	16.8	N.A.	.....
C-P Total	386,484	86.2	61,935	13.8	N.A.	.....
Horizon	22,705	53.2	19,973	46.8	N.A.	.....
TC3	19,632	46.0	23,046	54.0	N.A.	.....
Reliant	145,834	89.7	16,746	10.3	N.A.	.....
Gran Fury	18,746	100.0	N.A.	.....	N.A.	.....
Imperial	2,717	100.0	N.A.	.....	N.A.	.....
Cordoba	19,147	100.0	N.A.	.....	N.A.	.....
LeBaron	101,140	97.9	2,170	2.1	N.A.	.....
New Yorker	56,563	100.0	N.A.	.....	N.A.	.....
Dodge Total	216,575	78.4	59,554	21.6	N.A.	.....
024	18,050	39.6	27,531	60.4	N.A.	.....
Omni	21,015	57.7	15,407	42.3	N.A.	.....
Aries	110,014	88.0	15,002	12.0	N.A.	.....
Diplomat	26,258	100.0	N.A.	.....	N.A.	.....
Dodge 400	32,726	95.3	1,614	4.7	N.A.	.....
Mirada	8,512	100.0	N.A.	.....	N.A.	.....
FORD MOTOR	954,617	72.9	343,712	26.3	10,187	0.8
Ford Division	612,518	69.2	265,789	30.0	7,043	0.8
Escort	131,188	41.2	187,230	58.8	N.A.	.....
EXP	4,643	20.5	18,007	79.5	N.A.	.....
Must./Must. II	66,513	51.0	56,862	43.6	7,043	5.4
Granada	120,082	99.8	241	0.2	N.A.	.....
T-Bird	45,142	100.0	N.A.	.....	N.A.	.....
Ford	120,660	100.0	N.A.	.....	N.A.	.....
Fairmont	124,290	97.3	3,449	2.7	N.A.	.....
L-M Division	342,099	80.8	77,923	18.4	3,144	0.8
LN7	2,885	25.0	8,655	75.0	N.A.	.....
Lynx	45,451	45.4	54,662	54.6	N.A.	.....
Capri	18,970	52.5	14,020	38.8	3,144	8.7
Zephyr	38,506	98.5	586	1.5	N.A.	.....
Cougar	56,950	100.0	N.A.	.....	N.A.	.....
XR-7	16,867	100.0	N.A.	.....	N.A.	.....
Mercury	77,157	100.0	N.A.	.....	N.A.	.....
Continental	23,908	100.0	N.A.	.....	N.A.	.....
Lincoln	35,069	100.0	N.A.	.....	N.A.	.....
Mark VI	26,336	100.0	N.A.	.....	N.A.	.....
GENERAL MOTORS	3,179,615	90.7	314,833	9.0	11,223	0.3
Buick Division	727,020	98.2	12,964	1.7	N.A.	.....
Skylark	139,934	96.8	4,626	3.2	N.A.	.....
Skylark	39,580	82.6	8,338	17.4	N.A.	.....
Century	102,965	100.0	N.A.	.....	N.A.	.....
Regal	225,418	100.0	N.A.	.....	N.A.	.....
Buick	175,052	100.0	N.A.	.....	N.A.	.....
Riviera	44,071	100.0	N.A.	.....	N.A.	.....
Cadillac Division	231,663	98.3	3,921	1.6	N.A.	.....
Cimarron	22,047	84.9	3,921	15.1	N.A.	.....
Seville	19,998	100.0	N.A.	.....	N.A.	.....
Eldorado	137,600	100.0	N.A.	.....	N.A.	.....
Cadillac	52,018	100.0	N.A.	.....	N.A.	.....
Chevrolet Division	1,068,962	82.4	217,439	16.8	10,956	0.8
Chevette	139,504	57.3	93,003	38.2	10,956	4.5
Cavalier	123,645	63.4	71,379	36.6	N.A.	.....
Celebrity	92,314	100.0	N.A.	.....	N.A.	.....
Camaro	146,623	82.0	32,185	18.0	N.A.	.....
Citation	144,775	87.4	20,872	12.6	N.A.	.....
Malibu	116,125	100.0	N.A.	.....	N.A.	.....
Monte Carlo	92,391	100.0	N.A.	.....	N.A.	.....
Chevrolet	188,178	100.0	N.A.	.....	N.A.	.....
Corvette	25,407	100.0	N.A.	.....	N.A.	.....
Oldsmobile Division	693,400	98.7	8,940	1.3	N.A.	.....
Omega	74,370	96.0	3,099	4.0	N.A.	.....
Firenza	24,267	80.6	5,841	19.4	N.A.	.....
Cutlass/Supreme	194,337	100.0	N.A.	.....	N.A.	.....
Cutlass/Ciera	101,320	100.0	N.A.	.....	N.A.	.....
Oldsmobile	265,178	100.0	N.A.	.....	N.A.	.....
Toronado	33,928	100.0	N.A.	.....	N.A.	.....
Pontiac Division	458,570	86.4	71,569	13.5	267	0.1
J-2000	88,550	74.5	30,309	25.5	N.A.	.....
T1000	27,526	61.9	16,676	37.5	267	0.6
Firebird	95,418	82.0	20,946	18.0	N.A.	.....
Phoenix	45,527	92.6	3,638	7.4	N.A.	.....
Grand Prix	80,650	100.0	N.A.	.....	N.A.	.....
Bonneville/LeMans	80,440	100.0	N.A.	.....	N.A.	.....
6000	40,459	100.0	N.A.	.....	N.A.	.....
VOLKSWAGEN	10,882	10.6	53,489	52.1	38,293	37.3

Total Cars, U. S. 4,803,230 84.1 841,570 14.7 67,497 1.2

Note: Figures are generally based on U. S. production. However, some Canadian-only sourced cars, or those where U. S. production does not give an accurate reading of the figures, are included.

Specific models include Chrysler's Gran Fury, Cordoba, New Yorker, Diplomat and Mirada; Ford's standard-sized Ford, EXP, and LN7.

Figures are based on production of 5,712,207 U. S. models during 1982 model year, including 70,898 American Motors cars; 724,548 Chrysler Corp. cars; 1,308,516 Ford Motor cars; 3,505,671 General Motors cars and 102,664 Volkswagen cars.

* Eagle includes Eagle SX-4.

Dealers sell cars with 6.9 pct. rate and 25 pct. down

FORT WAYNE, Ind. — Two auto dealers here have slashed their financing rates to 6.9 percent, claiming they would rather sell cars at little or no profit than not sell them.

Most area auto dealers offer an 11.9 financing rate. Dealers said the 6.9 financing rates is the lowest in a decade.

Fort Wayne Datsun cut its rate from 13 percent to 6.9 per-

cent and sales have increased 30 percent, according to Dean Ball, vice president and general manager.

The 6.9 rate is also being offered at Paul Ealing Ford, Chrysler, Dodge and Plymouth in Ossian, Ind. Both dealerships require a 25 percent downpayment and a 36-month contract to receive the interest discount.

Ball and Ealing said their dealerships will make up the difference between the interest rates they charge their customers and the higher interest rates they must pay their finance sources.

If you like the looks of that great Good Times van over there, it could be yours free.

Just come by and register at Space G during the NADA Show in Las Vegas. Come share the Good Times with us.



GOOD TIMES VAN

Share the good times.™

Manufactured by the Bentley Corporation
2821 West Division, Arlington, Texas 76012 817/265-2224

Company shifting costs to dealers, he charges

Mullane rips Ford on service plan

By John A. Russell
New York Staff Writer

HACKENSACK, N. J. — A "Lifetime Service Guarantee" planned by Ford Motor Co. was attacked by Ed Mullane, president of the Ford Dealers Alliance.

Charging that the company is shifting its costs to the dealer, Mullane said that while he realizes there are problems in parts and service, this program has the potential to open dealers to liabilities and that dealers should not warrant any part since they don't have control of parts manufacturing.

According to a Ford spokes-

man, this program has been test-marketed at 74 dealerships in six cities. He stressed that the company was now "exposing dealers to the program" and that Ford was not at the point of announcing any introduction dates for it.

He added that company officials have not decided whether to make this a national effort, though he did admit that dealers were being signed up for it at meetings throughout the country.

Ford conducted its test-marketing in Washington; Cleveland; Kansas City; Chattanooga, Tenn.; Bakersfield, Calif., and

Macon, Ga.

According to Ford literature, the customer pays for the initial repair, but if that initial repair should fail, the customer returns to the original repairing dealer and receives "free parts and labor."

The dealer's responsibilities under the program would be to extend the lifetime guarantee on eligible repairs, absorb labor costs should this type of repair fail beyond 90 days or 4,000 miles, contribute to the national advertising and "recognize the need for local advertising support and point-of-purchase merchandising."

Ford's responsibilities under the program are to reimburse dealers for parts at the published dealer prices for eligible claims, match the dealer advertising contribution, provide an ad planner and provide initial point-of-purchase material.

Specifically excluded from the program are maintenance repairs such as points, spark plugs, condensers, filters, lubricants, fluids, chemicals and windshield wiper blades, brake linings and clutch facings as well

as paint, sheet metal, bright metal or trim.

In a letter to FDA members, Mullane said there are many complicated repairs of associated parts involving major assemblies that the dealer exposure escalates. He also noted that the program applies only to Ford and Motorcraft parts on all repairs and that most dealers often use comparable parts at greatly reduced prices.

He told dealers to calculate the advertising costs, pegged by Ford at 0.5 percent of all repair shop parts and service sales.

In an interview with AUTOMOTIVE NEWS, Mullane termed the program as "hocking one's future."

He added that the dealer is expected to contribute the "lion's share" since labor averages 60 percent of a repair bill.

Saab names Kaplanian

ORANGE, Conn.—Edward N. Kaplanian has been appointed marketing manager for parts and accessories for Saab-Scania of America. He formerly was with Peugeot in Torrance, Calif.

SOUND-EQUIPMENT OPTIONS INSTALLED ON 1982 U. S. MODELS

	AM Radio	Percent of Output	AM/FM Radio (Mono)	Percent of Output	AM/FM Stereo Radio	Percent of Output	AM/FM Stereo w/8-track	Percent of Output	AM/FM Stereo w/8-track and CB	Percent of Output	AM/FM Stereo w/Cassette	Percent of Output	AM/FM Stereo w/Cassette and CB	Percent of Output	AM/FM Stereo w/CB	Percent of Output
AMERICAN MOTORS	22,560	31.8	5,136	7.2	19,847	28.0	N.A.	—	N.A.	—	4,294	6.1	N.A.	—	586	0.8
Spirit	8,703	43.1	2,037	10.0	4,429	21.9	N.A.	—	N.A.	—	854	4.2	N.A.	—	46	0.2
Concord	11,202	33.2	3,077	9.1	9,362	27.8	N.A.	—	N.A.	—	1,524	4.5	N.A.	—	187	0.6
Eagle	2,655	15.6	22	0.1	6,056	35.6	N.A.	—	N.A.	—	1,916	11.3	N.A.	—	353	2.1
CHRYSLER CORP.	187,863	25.9	N.A.	—	310,054	42.8	10,086	1.4	N.A.	—	66,619	9.2	N.A.	—	7,287	1.0
C-P Total	102,912	22.9	N.A.	—	199,252	44.4	7,615	1.7	N.A.	—	56,354	12.6	N.A.	—	4,837	1.1
Horizon	17,655	41.7	N.A.	—	10,584	25.0	42	0.1	N.A.	—	296	0.7	N.A.	—	N.A.	—
TC3	11,314	26.3	N.A.	—	15,358	35.7	301	0.7	N.A.	—	1,291	3.0	N.A.	—	N.A.	—
Reliant	54,627	33.6	N.A.	—	67,471	41.5	813	0.5	N.A.	—	4,065	2.5	N.A.	—	3,089	1.9
Gran Fury	6,786	36.2	N.A.	—	4,049	21.6	75	0.4	N.A.	—	75	0.4	N.A.	—	75	0.4
Imperial	N.A.	—	N.A.	—	N.A.	—	149	5.5	N.A.	—	2,502	92.1	N.A.	—	65	2.4
Cordoba	1,321	6.9	N.A.	—	10,799	56.4	1,245	6.5	N.A.	—	3,906	20.4	N.A.	—	479	2.5
LeBaron	10,021	9.7	N.A.	—	65,085	63.0	1,653	1.6	N.A.	—	18,596	18.0	N.A.	—	620	0.6
New Yorker	1,188	2.1	N.A.	—	25,906	45.8	3,337	5.9	N.A.	—	25,623	45.3	N.A.	—	509	0.9
Dodge Total	84,951	30.8	N.A.	—	110,802	40.1	2,471	8.9	N.A.	—	10,265	3.7	N.A.	—	2,450	0.9
024	12,479	26.9	N.A.	—	18,231	39.3	649	1.4	N.A.	—	2,134	4.6	N.A.	—	N.A.	—
Omni	13,640	36.3	N.A.	—	8,939	25.1	71	0.2	N.A.	—	249	0.7	N.A.	—	N.A.	—
Aries	41,255	33.0	N.A.	—	50,381	40.3	500	0.4	N.A.	—	1,750	1.4	N.A.	—	1,875	1.5
Diplomat	12,656	48.2	N.A.	—	6,985	26.6	210	0.8	N.A.	—	341	1.3	N.A.	—	183	0.7
Dodge 400	4,155	12.1	N.A.	—	21,772	63.4	446	1.3	N.A.	—	4,293	12.5	N.A.	—	103	0.3
Mirada	766	9.0	N.A.	—	4,494	52.8	595	7.0	N.A.	—	1,498	17.6	N.A.	—	289	3.4
FORD MOTOR	275,919	21.1	43,759	3.3	405,303	31.0	28,355	2.2	N.A.	—	169,629	13.0	31,094	2.4	6,958	0.5
Ford Division	210,779	28.2	31,930	4.3	255,247	34.1	8,154	1.1	N.A.	—	60,499	8.1	N.A.	—	N.A.	—
Escort	118,133	37.1	18,468	5.8	53,813	16.9	1,592	0.5	N.A.	—	11,781	3.7	N.A.	—	N.A.	—
EXP	1,138	17.0	120	1.8	2,048	30.6	40	1.6	N.A.	—	1,686	25.2	N.A.	—	N.A.	—
Must./Must. II	18,911	14.5	3,000	2.3	50,993	39.1	2,348	1.8	N.A.	—	24,258	18.6	N.A.	—	N.A.	—
Granada	21,761	18.1	3,850	3.2	73,036	60.7	1,324	1.1	N.A.	—	7,219	6.0	N.A.	—	N.A.	—
T-Bird	2,934	6.5	361	0.8	23,112	51.2	222	4.9	N.A.	—	13,000	28.8	N.A.	—	N.A.	—
Fairmont	47,902	37.5	6,131	4.8	52,245	40.9	638	0.5	N.A.	—	2,555	2.0	N.A.	—	N.A.	—
L-M Division	65,140	15.4	11,829	2.8	150,056	35.5	20,201	4.8	N.A.	—	109,130	25.8	31,094	7.3	6,958	1.6
LN7	1,016	8.8	208	1.8	3,958	34.3	335	2.9	N.A.	—	4,743	41.1	N.A.	—	N.A.	—
Lynx	36,841	36.8	7,208	7.2	22,926	22.0	800	0.8	N.A.	—	7,909	7.9	N.A.	—	N.A.	—
Capri	3,939	10.9	759	2.1	7,082	19.6	614	1.7	N.A.	—	20,524	56.8	N.A.	—	N.A.	—
Zephyr	9,733	24.9	2,267	5.8	22,986	58.8	273	0.7	N.A.	—	1,876	4.8	N.A.	—	N.A.	—
Cougar	11,903	20.9	1,253	2.2	34,227	60.1	911	1.6	N.A.	—	6,606	11.6	N.A.	—	N.A.	—
XR-7	860	5.1	134	0.8	7,809	46.3	1,113	6.6	N.A.	—	6,022	35.7	N.A.	—	N.A.	—
Mercury	848	1.1	N.A.	—	35,415	45.9	7,947	10.3	N.A.	—	N.A.	—	31,094	40.3	N.A.	—
Continental	N.A.	—	N.A.	—	3,227	13.5	2,032	8.5	N.A.	—	18,648	78.0	N.A.	—	N.A.	—
Lincoln	N.A.	—	N.A.	—	9,608	27.4	3,121	8.9	N.A.	—	22,339	63.7	N.A.	—	2,455	7.0
Mark VI	N.A.	—	N.A.	—	2,818	10.7	3,055	11.6	N.A.	—	20,463	77.7	N.A.	—	4,503	17.1
GENERAL MOTORS	772,834	22.5	255,924	7.2	1,275,352	36.1	106,591	3.0	12,681	0.4	705,657	20.0	46,411	1.3	10,927	0.3
Buick Division	88,817	12.0	29,500	4.0	385,415	52.1	25,478	3.4	2,104	0.3	170,197	23.0	6,437	0.9	3,610	0.5
Skyline	33,745	23.3	8,732	6.2	85,319	59.0	946	0.7	N.A.	—	12,373	8.6	N.A.	—	N.A.	—
Skyhawk	11,603	24.2	1,868	3.9	28,694	59.9	166	0.4	N.A.	—	4,559	9.5	N.A.	—	N.A.	—
Century	12,362	12.0	3,605	3.5	54,883	53.3	1,075	1.0	N.A.	—	20,783	20.4	N.A.	—	784*	0.8
Regal	24,881	11.0	12,813	5.7	126,070	55.9	5,107	2.3	N.A.	—	45,283	20.1	N.A.	—	756	0.3
Buick	6,226	3.6	2,482	1.4	75,879	43.3	15,476	8.8	1,343	0.8	64,109	36.6	3,879	2.2	2,070	1.2
Riviera	N.A.	—	N.A.	—	14,570	33.1	2,708	6.1	761	1.7	23,010	52.2	2,558	5.8	N.A.	—
Cadillac Division	N.A.	—	N.A.	—	77,803	33.0	14,433	16.1	9,270	3.9	109,642	46.5	22,901	9.7	N.A.	—
Cimarron	N.A.	—	N.A.	—	11,999	46.2	N.A.	—	N.A.	—	13,851	53.3	N.A.	—	N.A.	—
Seville	N.A.	—	N.A.	—	4,117	20.5	918	4.5	847	4.2	10,584	52.9	3,306	16.5	N.A.	—
Eldorado	N.A.	—	N.A.	—	11,463	22.0	2,782	5.3	2,093	4.0	29,066	55.8	6,523	12.5	N.A.	—
Cadillac	N.A.	—	N.A.	—	50,224	36.5	10,733	7.8	6,330	4.6	56,141	40.8	13,072	9.5	N.A.	—
Chevrolet Division	472,725	36.4	180,099	13.9	324,625	25.0	19,193	1.5	N.A.	—	161,806	12.9	1,987	0.2	N.A.	—
Chevette	155,816	64.0	44,067	18.1	14,608	6.0	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Cavalier	88,541	45.4	30,814	15.8	46,611	23.9	2,145	1.1	N.A.	—	17,942	9.2	N.A.	—	N.A.	—
Celebrity	16,541	17.9	31,021	33.6	33,217	36.0	689	0.7	N.A.	—	7,009	7.6	N.A.	—	N.A.	—
Camaro	20,384	11.4	10,371	5.8	49,709	27.8	3,397	1.9	N.A.	—	71,523	40.0	N.A.	—	N.A.	—
Citation	95,861	57.9	21,193	12.8	34,059	20.6	N.A.	—	N.A.	—	5,689	3.4	N.A.	—	N.A.	—
Malibu	40,363	34.8	15,238	13.1	36,970	31.8	774	0.7	N.A.	—	6,159	5.3	N.A.	—	N.A.	—
Monte Carlo	16,604	18.0	6,724	7.3	37,062	42.3	3,892	4.2	N.A.	—	12,445	13.5	N.A.	—	N.A.	—
Chevrolet	38,615	20.5	20,153	10.7	70,856	37.7	7,373	3.9	N.A.	—	26,684	14.2	N.A.	—	N.A.	—
Corvette	N.A.	—	458	1.8	1,533	6.0	923	3.6	N.A.	—	20,355	80.1	1,987	7.8	N.A.	—
Oldsmobile Division	60,507	8.6	17,125	2.4	253,933	36.2	22,009	3.1	1,307	0.2	154,419	22.0	4,001	0.6	7,317	1.0
Omega	21,348	27.6	4,610	6.0	41,387	53.4	N.A.	—	N.A.	—	8,064	10.4	N.A.	—	N.A.	—
Firenza	9,945	33.0	1,469	4.9	13,689	45.5	139	46.0	N.A.	—	3,997	13.3	N.A.	—	N.A.	—
Cutlass/Supreme	13,409	6.9	5,830	3.0	112,715	57.7	4,858	2.5	N.A.	—	4,664	2.4	N.A.	—	N.A.	—
Cutlass/Ciera	9,785	9.7	2,642	2.6	62,341	61.5	1,173	1.2	N.A.	—	22,186	22.0	N.A.	—	732	0.7
Oldsmobile	6,020	2.3	2,574	1.0	13,011	49.1	13,532	2.1	1,307	0.5	94,955	35.9	4,001	1.5	4,316	1.6
Toronado	N.A.	—	N.A.	—	10,784	31.8	2,307	6.8	N.A.	—	20,553	60.6	N.A.	—	2,269	6.7
Pontiac Division	170,785	30.7	29,260	5.2	233,576	42.0	N.A.	—	N.A.	—	103,593	18.6	N.A.	—	N.A.	—
J-2000	50,991	42.9	10,222	8.6	41,601	35.0	N.A.	—	N.A.	—	11,767	9.9	N.A.	—	N.A.	—
T1000	26,415	59.4	5,203	11.7	4,803	10.8	N.A.	—	N.A.	—	N.A.	—	N.A.	—	N.A.	—
Firebird	4,972	4.3	2,290	2.0	45,697	39.3	N.A.	—	N.A.	—	51,891	44.6	N.A.	—	N.A.	—
Phoenix	16,108	32.8	3,536	7.2	23,636	48.1	N.A.	—	N.A.	—	3,579	7.3	N.A.	—	N.A.	—
Grand Prix	6,371	7.9	2,016	2.5	43,551	54.0	N.A.	—	N.A.	—	18,791	23.3	N.A.	—	N.A.	—
Bonneville/LeMans	9,894	12.3	4,504	5.6	46,494	5										

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STEERING WHEEL, ELECTRONIC OPTIONS ON 1982 U. S. MODELS

	Digital Clocks	Percent of Output	Electronic Instrument Panel	Percent of Output	Tilt Wheel	Percent of Output	Tilt and Telescope	Percent of Output
AMERICAN MOTORS	50,794	71.6	0	0	23,130	32.6	0	0
Spirit	12,432	61.6	0	0	3,875	19.2	0	0
Concord	28,336	84.1	0	0	11,152	33.1	0	0
Eagle/SX4	10,026	58.9	0	0	8,103	47.6	0	0
CHRYSLER CORP.	412,277	56.9	2,717	0.3	223,581	30.8	0	0
C-P Total	287,341	64.1	2,717	0.6	146,844	32.7	0	0
Horizon	0	0	0	0	0	0	0	0
TC3	0	0	0	0	0	0	0	0
Reliant	106,002	65.2	0	0	18,371	11.3	0	0
Gran Fury	2,474	13.2	0	0	4,349	23.2	0	0
Imperial	2,717	100.0	2,717	100.0	2,717	100.0	0	0
Cordoba	16,275	85.0	0	0	12,522	65.4	0	0
LeBaron	103,310	100.0	0	0	103,310	52.4	0	0
New Yorker	56,563	100.0	0	0	5,375	95.0	0	0
Dodge Total	124,936	45.2	0	0	76,937	27.9	0	0
024	0	0	0	0	0	0	0	0
Omni	0	0	0	0	0	0	0	0
Aries	79,760	63.8	0	0	14,877	11.9	0	0
Diplomat	6,197	23.6	0	0	41,755	33.4	0	0
Dodge 400	34,340	100.0	0	0	15,487	45.1	0	0
Mirada	4,639	54.5	0	0	4,818	56.6	0	0
FORD MOTOR	387,019	29.6	72,154	5.5	474,014	36.2	0	0
Ford Division	182,973	20.7	7,358	0.8	245,158	27.7	0	0
Escort	50,310	15.8	0	0	0	0	0	0
EXP	21,019	92.8	0	0	0	0	0	0
Must./Must. II	41,603	31.9	0	0	26,214	20.1	0	0
Granada	120	0.1	0	0	89,280	74.2	0	0
T-Bird	20,224	44.8	7,358	16.3	34,985	77.5	0	0
Ford LTD	47,781	39.6	0	0	71,431	59.2	0	0
Fairmont	1,916	1.5	0	0	23,248	18.2	0	0
L-M Division	204,046	48.2	64,796	15.3	228,856	54.1	0	0
LN7	11,540	100.0	0	0	0	0	0	0
Lynx	17,620	17.8	0	0	0	0	0	0
Capri	36,134	100.0	0	0	8,853	24.5	0	0
Zephyr	10,789	27.6	0	0	8,952	22.9	0	0
Cougar	33,202	58.3	0	0	42,769	75.1	0	0
XR-7	7,826	46.4	2,581	15.3	12,566	74.5	0	0
Mercury	30,940	40.1	12,962	16.8	71,139	92.2	0	0
Continental	23,908	100.0	23,908	100.0	23,908	100.0	0	0
Lincoln	5,751	16.4	5,751	16.4	34,333	97.7	0	0
Mark VI	26,336	100.0	19,594	74.4	26,336	100.0	0	0
GENERAL MOTORS	1,110,970	31.7	33,731	1.0	1,913,336	54.6	255,796	7.3
Buick Division	63,440	8.6	0	0	543,205	73.4	14,379	1.9
Skylark	3,903	2.7	0	0	80,809	55.9	0	0
Skyhawk	0	0	0	0	24,246	50.6	0	0
Century	1,750	1.7	0	0	75,576	73.4	0	0
Regal	6,537	2.9	0	0	175,826	78.0	0	0
Buick	50,765	29.0	0	0	147,569	84.3	10,853	6.2
Riviera	485	1.1	0	0	39,179	88.9	3,526	8.0
Cadillac Division	235,584	100.0	33,731	14.3	24,020	10.2	200,157	85.0
Cimarron	25,968	100.0	0	0	24,020	92.5	0	0
Seville	19,998	100.0	9,699	48.5	0	0	19,578	97.9
Eldorado	52,018	100.0	24,032	46.2	0	0	50,822	97.7
Cadillac	137,600	100.0	0	0	0	0	129,757	94.3
Chevrolet Division	374,442	28.9	0	0	540,176	41.6	25,407	2.0
Chevette	0	0	0	0	22,642	9.3	0	0
Cavalier	185,858	95.3	0	0	71,964	36.9	0	0
Celebrity	32,864	35.6	0	0	48,372	52.4	0	0
Camaro	79,569	44.5	0	0	126,238	70.6	0	0
Citation	0	0	0	0	41,909	25.3	0	0
Malibu	0	0	0	0	47,263	40.7	0	0
Monte Carlo	0	0	0	0	60,978	6.60	0	0
Chevrolet	52,878	28.1	0	0	120,810	64.2	0	0
Corvette	23,273	91.6	0	0	0	0	25,407	100.0
Oldsmobile Division	182,615	26.0	0	0	510,250	72.6	15,853	2.2
Omega	19,987	25.8	0	0	32,460	41.9	0	0
Firenza	0	0	0	0	13,458	44.7	0	0
Cutlass/Supreme	83,176	42.8	0	0	136,230	70.1	0	0
Cutlass/Ciera	709	0.7	0	0	69,303	68.4	0	0
Oldsmobile	44,815	16.9	0	0	224,871	84.8	11,137	4.2
Toronado	33,928	100.0	0	0	33,928	100.0	4,716	13.9
Pontiac Division	254,889	48.0	0	0	296,685	55.7	0	0
J2000	114,580	96.4	0	0	36,014	30.3	0	0
T1000	0	0	0	0	4,358	9.8	0	0
Firebird	100,073	86.0	0	0	85,760	73.7	0	0
Phoenix	0	0	0	0	20,059	40.8	0	0
Grand Prix	2,339	2.9	0	0	64,036	79.4	0	0
Bonneville/LeMans	2,091	2.6	0	0	59,686	74.2	0	0
6000	35,806	88.5	0	0	25,772	63.7	0	0
VOLKSWAGEN	0	0	0	0	0	0	0	0
Total Cars	1,961,060	34.3	108,602	1.9	2,634,061	46.1	255,796	4.5

Note: Figures are generally based on U. S. production. However, some Canadian-only sourced cars, or those where U. S. production does not give an accurate reading of the figures, are included.

Specific models include Chrysler's Gran Fury, Cordoba, New Yorker, Diplomat and Mirada; Ford's standard-sized Ford, EXP, and LN7.

Figures are based on production of 5,712,297 U. S. models during 1982 model year, including 70,896 American Motors cars; 724,548 Chrysler Corp. cars; 1,308,516 Ford Motor cars; 3,505,671 General Motors cars and 102,664 Volkswagen cars.

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Battery buyers: PIEs, SAPs or SAEs?

By Nancy I. Phillips
Staff Correspondent

CHICAGO. — If auto dealers are ever going to get battery business, it's from a segment of the market which GNB Batteries terms the Service Above Price buyer.

According to J. Norman Allen, director of new product development for what used to be called the Gould Automotive Battery Division and now is called GNB Batteries, market research the firm has done divides the battery market into three groups.

The first are the buyers to whom Price Is Everything, and they are called the PIEs.

The second group is Service

Above Price, the professional who really wants to make a buying decision based on the expert's information and have the work done for him or her. They are called the SAPs.

The third group is the Self-styled Automotive Experts, who have think they know everything and are inclined to be do-it-yourselfers. Allen thinks of them as the SAEs.

The new-car dealer is most likely to meet the needs of the SAP buyer, 35 percent of the total consumer population, and 72 percent of whom are women. They're worried about getting stuck or not starting their cars in the early, cold mornings, according to Allen.

While Allen is aware that dealers don't usually sell batteries, or at least don't aggressively go after the business, he thinks that when they realize that they are serving this important market segment, they might well go after the business, since these buyers depend on them for advice and service. Allen believes GNB's new Cath-anode battery is ideal for the SAP market, since it provides extra power — 40 percent more amps — for cold starts.

Because fewer units are needed to fit more cars, dealers don't need as many units in stock as they would in normal battery stocking, Allen said.

Predicts deliveries of 8.8 million cars; 2.9 million trucks

Lataif sees sales increase in 1983

GRAND RAPIDS, Mich.—The long-awaited improvement in car and truck sales appears to have begun and should continue on an upward trend for the remainder of the year, a Ford Motor Co. executive said here.

Louis E. Lataif, Ford Division general manager, told the Grand Rapids Economic Club that he is optimistic about the outlook for the auto industry and the nation's economy in general.

"I foresee a real improvement in automotive sales and 1983 should be the start of the long-term recovery of the industry," he said.

Lataif projected sales of 8.8 million cars and 2.9 million trucks for the industry in 1983, up from 8 million cars and 2.6

million trucks in 1982.

Confidence in the sales outlook is being expressed by the industry's production hikes of 30 percent on cars and 6 percent on trucks in the first quarter of 1983, he said.

Lataif cited several sales facts that indicate the industry "bottomed out" toward the end of 1982 and began gaining momentum.

"There was strong industry growth in the final three quarters of last year, especially the fourth quarter, which had a 17 percent increase in car sales and a 27 percent jump in truck sales," he said. "In the November-December period alone, car and truck sales were up 22 and 38 percent, respectively."

"And Ford sales were ahead

of that rate in those two months with sales increases of 35 and 55 percent on cars and trucks. Sales reports show the momentum was carried over into early January—although we still expect a few valleys along with the peaks throughout the year," he said.

Lataif said various economic indicators and the results of consumer research surveys provide more encouragement for the car-buying climate.

"For the first time since August, 1980, surveys show that more people are saying now is a good time to buy a car than are saying it's a bad time for them to buy a car," he said.

"There's a lot of buying power because auto installment debt is the lowest in modern

history," Lataif said. "There is the financial capacity to buy automobiles in greater numbers, but until recently, consumer confidence has been lacking."

"When people are asked which items they own would be the toughest to give up if they had to, 94 percent of them say their car would be the hardest possession to part with," he said. "In fact, 90 percent of the general public still drive to work. All of this is strong proof that private cars are not apt to lose their role as America's mass transit system."

Lataif said Ford plans to solidify leadership in product,

quality, aerodynamics, electronics and labor-management cooperation.

Using his company as an example of the quality progress being made in the domestic industry, Lataif noted that the quality of Ford's 1983 model cars has increased 59 percent from 1980 and truck quality is up 47 percent—based on independent third-party surveys of consumers.

"The timing of the introduction of our 1983 products is perfect for the recovery," he said. "We're spending nearly \$3 billion to bring products to market this year."

AIR CONDITIONING INSTALLATIONS

	1982 VS. 1981 MODEL YEAR					
	1982 Model Year			1981 Model Year		
	Unit Total	Percent of Output	Pct. of '81 Air Conditioner Installations	Unit Total	Percent of Output	Pct. of '81 Air Conditioner Installation
AMERICAN MOTORS ..	42,786	60.35	0.93	73,184	53.37	1.42
Spirit ..	8,880	44.00	0.19	16,566	37.10	0.32
Concord ..	26,314	78.10	0.57	40,208	73.00	0.78
Eagle ..	7,592	44.60	0.17	16,410	43.84	0.32
CHRYSLER CORP.	506,052	69.84	11.04	427,736	58.31	8.25
C-P Total ..	331,501	45.75	7.23	256,901	60.95	4.96
Horizon ..	15,834	37.10	0.35	53,117	38.00	1.02
TC3 ..	13,444	31.50	0.29	.....	.....	.....
Reliant ..	113,969	70.10	2.49	131,653	64.30	2.54
Gran Fury ..	16,665	88.90	0.36	7,328	94.60	0.14
Imperial ..	2,717	100.00	0.06	.....	.....	.....
Cordoba ..	18,400	96.10	0.40	19,176	94.50	0.37
LeBaron ..	93,909	90.90	2.05	35,153	91.60	0.68
New Yorker ..	56,563	100.00	1.23	10,474	99.00	0.21
Dodge Total ..	174,551	63.21	3.81	170,835	54.76	3.29
024 ..	15,224	33.40	0.33	.....	.....	.....
Omni ..	13,403	36.80	0.29	39,741	34.60	0.77
Aries ..	84,761	67.80	1.85	97,177	61.40	1.87
Diplomat ..	24,289	92.50	0.53	17,803	83.00	0.34
Dodge 400 ..	28,949	84.30	0.63	.....	.....	.....
Mirada ..	7,925	93.10	0.18	10,828	91.00	0.21
FORD MOTOR ..	970,487	74.17	21.16	1,071,117	71.22	20.65
Ford Division ..	617,357	69.73	13.46	685,116	67.04	13.21
Escort ..	137,238	43.10	3.00	150,100	46.80	2.89
EXP ..	12,548	55.40	0.27	42,214	58.90	0.82
Must./Must. II ..	86,728	66.50	1.89	104,973	57.50	2.02
Granada ..	110,577	91.90	2.41	106,537	87.80	2.05
T-Bird ..	44,194	97.90	0.96	83,832	96.70	1.62
Ford ..	118,005	97.80	2.57	76,196	97.50	1.47
Fairmont ..	108,067	84.60	2.36	121,264	75.40	2.34
L-M Division ..	353,130	83.45	7.70	386,001	80.08	7.44
LN7 ..	7,986	69.20	0.17	14,692	65.40	0.28
Lynx ..	49,756	49.70	1.09	55,908	53.30	1.16
Capri ..	25,800	71.40	0.56	37,666	63.90	0.73
Zephyr ..	35,691	91.30	0.78	57,198	86.00	1.10
Cougar ..	55,071	96.70	1.20	49,575	92.40	0.96
XR-7 ..	16,665	98.80	0.36	36,157	97.00	0.70
Mercury ..	76,848	99.60	1.68	61,268	99.40	1.18
Continental ..	23,908	100.00	0.52	.....	.....	.....
Lincoln ..	35,069	100.00	0.77	32,839	100.00	0.63
Mark VI ..	26,336	100.00	0.57	36,598	100.00	0.70
GENERAL MOTORS ..	3,018,871	86.11	65.83	3,527,806	83.91	68.01
Buick Division ..	703,523	95.07	15.34	791,893	92.40	15.27
Skyhawk ..	129,526	89.60	2.82	218,303	83.80	4.21
Skyhawk ..	37,184	77.60	0.82	.....	.....	.....
Century ..	98,332	95.50	2.14	136,159	94.40	2.63
Regal ..	220,233	97.70	4.80	229,730	95.60	4.43
Buick ..	174,177	99.50	3.80	155,694	98.42	3.00
Riviera ..	44,071	100.00	0.96	52,007	100.00	1.00
Cadillac Division ..	235,584	100.00	5.14	252,256	100.00	4.86
Cimarron ..	25,968	100.00	0.57	14,048	100.00	0.27
Seville ..	19,998	100.00	0.44	28,606	100.00	0.55
Eldorado ..	52,018	100.00	1.13	60,557	100.00	1.17
Cadillac ..	137,600	100.00	3.00	149,045	100.00	2.87
Chevrolet Division ..	970,013	74.77	21.15	1,162,319	69.47	22.41
Chevette ..	94,464	38.80	2.06	182,500	40.20	3.52
Cavalier ..	124,620	63.90	2.72	38,882	59.70	0.75
Celebrity ..	80,959	87.70	1.77	.....	.....	.....
Camaro ..	150,378	84.10	3.28	96,118	76.20	1.85
Citation ..	121,751	73.50	2.66	279,440	67.60	5.39
Malibu ..	103,235	88.90	2.25	194,534	85.80	3.76
Monte Carlo ..	86,478	93.60	1.88	147,064	93.60	2.84
Chevrolet ..	182,721	97.10	3.98	178,150	96.30	3.43
Corvette ..	25,407	100.00	0.55	45,631	100.00	0.87
Oldsmobile Division ..	672,058	95.69	14.66	894,120	95.05	17.23
Omega ..	65,957	85.14	1.44	116,877	79.00	2.25
Firenza ..	22,686	75.35	0.49	.....	.....	.....
Cutlass/Supreme ..	191,092	98.33	4.17	470,709	100.00	9.07
Cutlass/Ciera ..	95,312	94.07	2.08	.....	.....	.....
Oldsmobile ..	263,083	99.21	5.74	263,930	98.20	5.09
Toronado ..	33,928	100.00	0.74	42,604	100.00	0.82
Pontiac Division ..	437,693	82.52	9.54	427,218	88.81	8.24
J-2000 ..	85,103	71.60	1.86	.....	.....	.....
T1000 ..	17,921	40.30	0.39	.....	.....	.....
Firebird ..	102,051	87.70	2.23	59,517	83.90	1.15
Phoenix ..	39,332	80.00	0.86	94,634	74.00	1.82
Grand Prix ..	78,231	97.00	1.70	105,852	97.70	2.05
Bonneville/LeMans ..	76,740	95.40	1.67	65,832	91.50	1.27
5000 ..	38,315	94.70	0.83	.....	.....	.....
VOLKSWAGEN ..	47,431	46.20	1.04	86,933	48.40	1.67

Total Cars, U.S. 4,585,627 80.28 100.00 5,186,776 76.75 100.00

Note: Figures are generally based on U.S. production. However, some Canadian-only sourced cars, or those where U.S. production does not give an accurate reading of the figures, are included in some instances. Specific models include Chrysler's Gran Fury, Cordoba, New Yorker, Diplomat and Mirada; Standard-size Ford, EXP and LN7.

Figures are based on production of 5,712,297 '82 models, including 3,505,671 GM cars, 1,308,516 Ford cars, 724,548 Chrysler models, 70,898 AMC and 102,864 Volkswagens. GM's total includes 739,984 Buicks, 235,584 Cadillacs, 1,297,357 Chevrolets, 702,340 Oldsmobiles and 530,406 Pontiacs. Ford's total includes 885,350 Ford Division and 423,166 Lincoln-Mercury models. Chrysler's total includes 448,419 Chrysler-Plymouth and 276,129 Dodge cars.



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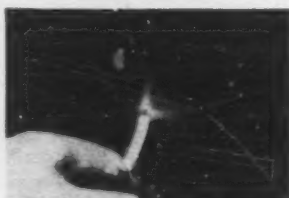
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factories list auction dates

American Motors

Feb. 8 — D-A Auto Auction, Waltz Mill Rd., New Stanton, Pa.; Aptco Auto Auction, 20911 Gladwin, Taylor, Mich.

Feb. 9 — Metro Milwaukee Auto Auction, 561 S. Hwy. 41, Caledonia, Wis.; Central States Auto Auction, 824 S. Taft, Mason City, Ia.; South Seattle Auto Auction, 19443 76th Ave. S., Kent, Wash.; Sand Mountain Auto Auction, U.S. 431, Boaz, Ala.

Feb. 10 — Todd Auto Auction, Rte. 309, Telford, Pa.; Minneapolis North Star Auto Auction, 7701 Hwy. 101, Shakopee, Minn.; Evansville Auto Auction, 2229 S. Kentucky Ave., Evansville, Ind.; Radcliffe's Mid-America Auto Auction, 1100 E. MacArthur, Wichita, Kans.

Feb. 16 — Southern Auto Sales, S. Main St., Rte. 5, Warehouse Point, Conn.; Columbus Fair Auction, 4700 Groveport Rd., Obetz, O.; Kansas City Auto-

bile Auction, 1100 Elmwood Ave., Kansas City, Mo.; Central States Auto Auction, 824 S. Taft, Mason City, Ia.

Feb. 17 — Minneapolis North Star Auto Auction, 7701 Hwy. 101, Shakopee, Minn.; Fredericksburg Auto Auction, U.S. 1 Alt., Fredericksburg, Va.

Feb. 18 — Concord Auto Auction, Hosmer St., Acton, Mass.; Floyd Hauhe, 12000 St. Charles Rock Rd., Bridgeton, Mo.

Feb. 22 — D-A Auto Auction, Waltz Mill Rd., New Stanton, Pa.; Aptco Auto Auction, 20911 Gladwin, Taylor, Mich.

Feb. 23 — Metro Milwaukee Auto Auction, 561 S. Hwy. 41, Caledonia, Wis.; South Seattle Auto Auction, 19443 76th Ave. S., Kent, Wash.; Sand Mountain Auto Auction, U.S. 431, Boaz, Ala.

Chrysler Corp.

Feb. 8 — Aptco Auto Auction, Taylor, Mich.; Baltimore Wash-

ington Auto Exchange, Baltimore, Md.

Feb. 9 — Sand Mountain Auto Auction, Boaz, Ariz.; Southwest Auto Auction, Phoenix; Minneapolis Auto Auction, Plymouth, Minn.

Feb. 11 — Concord Auto Auction, Acton, Mass.; Floyd Hauhe Auto Auction, Bridgeton, Mo.

General Motors

Feb. 8 — Ohio Auto Auction, Columbus, O.

Feb. 17 — Skyline Auto Auction, Fairfield, N. J.

Ford Motor Co.

Feb. 8 — Arena Auto Auction, 10355 South Woodlawn Ave., Chicago.

Feb. 10 — 166 Auto Auction, 2944 W. Sunshine, Springfield, Mo.

Feb. 15 — Aptco Auto Auction, 20911 Gladwin, Taylor, Mich.

Feb. 16 — Golden Gate Auto Auction, 6010 Stevenson Blvd., Fremont, Calif.

Feb. 23 — Central States Auto Auction, 824 South Taft, Mason City, Ia.; Metro Auto Auction of

Kansas City, 101 W. Oldham Parkway, Lee's Summit, Mo.; Northway Exchange, Route 146, Clifton Park, N. Y.



Herzog citation

At Herzog Motors in Beaverton, Ore., Volvo dealer Robert Herzog, left, receives his 20-year dealer award from Larry Konash, Volvo Portland district manager.

Model breakdown

Auction Averages			
	February To Date	January	December
1983.....	\$11,500	\$10,679	
1982.....	7,921	7,253	\$6,811
1981.....	6,114	5,844	5,157
1980.....	4,841	4,814	4,811
1979.....	4,502	4,235	4,148
1978.....	3,259	3,175	3,125
1977.....	2,522	2,573	2,649
1976.....	1,639	1,679	2,021
Overall			
Average \$	4,611	4,646	\$4,505

Used Car Sales

Auction Averages	
February to date	\$4,611
Month ago	\$4,505
Year ago	\$4,904

Bezema Isuzu opens

NORWOOD, Mass. — Bezema Isuzu has opened here.

used-car auction directory

Display Rates: \$64.00 per column inch (minimum space, 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type - 1 time,

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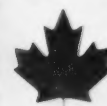
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After year of record earnings

New Subaru strategy: Finance, investment

PENNSAUKEN, N. J. — For the seventh consecutive year, Subaru of America reported record earnings and net sales in 1982 despite the import restrictions imposed by the Japanese government, which caused lower vehicle sales.

Net income for the company's fiscal year ended Oct. 31, 1982, increased by 50 percent to \$39.5 million compared with \$26.3 million in 1981.

Net sales for the company in 1982 were \$978 million, up from the \$916 million reported in the previous fiscal year.

Total vehicle sales in 1982 were 150,335, compared with 152,062 in 1981. The sales decline was directly attributed to the import restrictions.

The growth of SoA, a U. S. company traded over the counter, has been strong, but according to Robert L. Reich, executive vice president for finance and treasurer, it is directly attributable to the "hands-on" approach to business and developing business opportunities.

While other companies do diversify, maintain investment portfolios and other methods, SoA has made finance and investment part of its business to the point where it is part of its financial growth pattern.

A conscious decision was made, he said, that the company must develop those areas where it has expertise. It had expertise in the marketing of automobiles; it also had expertise in finance.

Rather than diversify into entirely different businesses where it had little expertise, and

which required high capital investment, SoA moved into "investment as a business."

• Third-quarter figures running through July, 1982, show the company has \$94 million in short term investment, up by slightly over \$73.2 million from the previous year.

Reich said the tactic SoA is taking has far less risk than establishing a new business venture and again is within the realm of the corporate expertise.

It was not always like that, he explained. When the company began, the major concentration was on increasing unit sales of cars to develop cash to go into investments.

Part of the strategy to build the cash position was the use of letters of credit. SoA issues a letter of credit to Fuji Heavy Industries, the manufacturer of the vehicles, but prior to this, the company's distributors issue letters of credit to SoA for payment at the port.

Reich said the maximum exposure the company has is between five and 15 days, depending on the port of entry.

• This system, which was developed in the early days of the company, was designed to reinforce the company's financial strength. It also meant greater credit availability to the fledgling company with secured bank lines of credit, though today the company has \$300 million in bank lines of credit which are unsecured.

This financial strength created the basis for the company to make several developmental

moves. It has purchased five wholly-owned subsidiaries, which it operates, and has developed a parts and accessories business.

In addition, it has formed Subaru Financial Services with a partner, Borg-Warner, to offer financing and insurance.

Reich had previously said SFS is looked to as being a strong contributor to corporate profits in future years. During fiscal 1982, the new operation was running in the black. Receivables outstanding at the end of October reached \$30 million and Reich has projected this would reach \$60 million, with \$40 million coming in retail paper and \$20 million in wholesale paper.

Two areas which Reich is ex-

amining are safe harbour leases and leverage leases.

The company ventured into safe harbour leases, Reich said, because it was the finance department's responsibility to minimize the company's tax exposure.

Subaru recently announced an increase in its quarterly dividend rate to \$.92, a 77 percent increase.

Reich says the common stock of the company has been trading well. When this year began, it was trading in the \$60 range. Two years ago that same stock was trading at a high of 21% (bid price).

"Our business isn't stock," Reich said. "The stock takes care of itself if we do our business."



Weyel reaches 25

Rodger Weyel, right, Buick dealer in Sequin, Tex., receives a 25-year silver tray award from Wally Edgar, Buick assistant general sales manager-West.

SEAT OPTIONS ON 1981 U. S. MODELS

	Bucket Seats	Percent of Output	Split Seats	Percent of Output	Bench Seats	Percent of Output	Power Seats	Percent of Output	Reclining Seats	Percent of Output
AMERICAN MOTORS	31,145	43.93	5,307	7.49			2,180	3.07	34,446	48.59
Spirit	20,182	100.00								
Concord			5,222	15.50			1,482	4.40	28,471	84.50
Eagle	10,963	64.40	925	0.50			698	4.10	5,975	35.10
CHRYSLER CORP.	328,850	45.39	79,063	10.91	435,201	60.07	96,181	13.27	231,786	31.99
C-P Total	166,150	25.90	71,734	16.00	282,269	62.95	85,671	19.11	180,142	40.17
Horizon	42,678	100.00	N.A.		N.A.		N.A.		20,742	48.60
TC3	42,678	100.00	N.A.		N.A.		N.A.		21,979	51.50
Reliant	22,111	13.60	N.A.		140,469	86.40	2,764	1.70	22,111	13.60
Gran Fury	N.A.		1,368	7.30	18,746	100.00	N.A.		1,368	7.30
Imperial	N.A.		2,717	100.00	2,717	100.00	2,717	100.00	2,717	100.00
Cordoba	8,061	42.10	11,086	57.90	11,086	57.90	8,425	44.00	4,040	21.10
LeBaron	50,622	49.00	N.A.		52,688	51.00	18,596	18.00	50,622	49.00
New Yorker	N.A.		56,563	100.00	56,563	100.00	53,169	94.00	56,563	100.00
Dodge Total	162,700	58.92	7,329	2.65	152,932	55.38	10,510	3.81	51,644	18.70
024	45,581	100.00	N.A.		N.A.		N.A.		3,464	7.60
Omni	82,003	100.00	N.A.		N.A.		N.A.		4,006	11.00
Aries	15,377	12.30	N.A.		109,639	87.70	2,500	2.00	15,377	12.30
Diplomat	N.A.		4,648	17.70	26,258	100.00	1,234	4.70	4,700	17.90
Dodge 400	13,908	40.50	N.A.		14,354	41.80	4,086	11.90	19,952	58.10
Mirada	5,831	68.50	2,681	31.50	2,681	31.50	2,690	31.60	4,145	48.70
FORD MOTOR	661,287	50.54	388,082	29.66	260,327	19.89	228,870	17.49	986,108	75.36
Ford Division	500,383	56.52	184,952	20.90	200,015	22.59	73,997	8.36	648,446	73.24
Escort	318,418	100.00	N.A.		N.A.		N.A.		318,418	44.90
EXP	22,650	100.00	N.A.		N.A.		N.A.		22,650	100.00
Must./Must. II	130,418	100.00	N.A.		N.A.		N.A.		130,418	100.00
Granada	5,174	4.30	71,352	59.30	43,798	36.40	5,655	4.70	71,352	59.30
T-Bird	858	1.90	38,551	85.40	5,733	12.70	19,546	43.30	38,542	85.60
Ford	N.A.		66,363	55.00	54,297	45.00	47,902	39.70	66,966	55.50
Fairmont	22,865	17.90	8,686	6.80	96,187	75.30	894	0.70	N.A.	
L-M Division	160,904	38.02	203,130	48.00	60,312	14.25	154,873	36.60	337,662	79.79
LN7	11,540	100.00	N.A.		N.A.		N.A.		11,540	100.00
Lynx	100,113	100.00	N.A.		N.A.		N.A.		100,113	100.00
Capri	36,134	100.00	N.A.		N.A.		N.A.		36,134	100.00
Zephyr	11,532	29.50	N.A.		27,560	70.50	430	1.10	N.A.	
Cougar	N.A.		35,309	62.00	21,641	38.00	6,265	11.00	29,329	51.50
XR-7	1,585	9.40	16,462	97.60	N.A.		9,024	53.50	16,867	100.00
Mercury	N.A.		66,046	85.60	11,111	14.40	62,574	81.10	66,046	85.60
Continental	N.A.		23,908	100.00	N.A.		23,908	100.00	23,908	100.00
Lincoln	N.A.		35,069	100.00	N.A.		27,705	79.00	27,705	79.00
Mark VI	N.A.		26,336	100.00	N.A.		24,967	94.80	26,020	98.80
GENERAL MOTORS	1,278,536	36.47	1,486,272	42.40	752,200	21.46	1,042,952	29.75	1,396,125	39.82
Buick Division	199,068	26.90	532,576	71.97			268,122	36.23	186,468	25.20
Skyhawk	29,635	20.50	114,925	79.50	N.A.		8,818	6.10	34,405	23.80
Skyhawk	47,918	100.00	N.A.		N.A.		2,348	4.90	47,918	100.00
Century	67,751	65.80	35,214	34.20	N.A.		26,359	25.60	5,045	4.90
Regal	9,693	4.30	207,385	92.00	N.A.		61,539	27.30	24,796	11.00
Buick	N.A.		175,052	100.00	N.A.		124,987	71.40	50,065	28.60
Riviera	44,071	100.00	N.A.		N.A.		44,071	100.00	24,239	55.00
Cadillac Division	25,968	11.02	191,315	81.21	18,301	7.77	231,481	98.26	110,722	47.00
Cimarron	25,968	100.00	N.A.		N.A.		21,865	84.20	25,968	100.00
Seville	N.A.		19,998	100.00	N.A.		19,998	100.00	14,519	72.60
Eldorado	N.A.		52,018	100.00	N.A.		52,018	100.00	24,552	47.20
Cadillac	N.A.		119,299	86.70	18,301	13.30	137,600	100.00	45,683	33.20
Chevrolet Division	668,363	51.52	152,756	11.77	474,386	36.57	113,258	8.73	650,449	50.14
Chevette	243,463	100.00	N.A.		N.A.		N.A.		187,953	77.20
Cavalier	195,024	100.00	N.A.		N.A.		4,876	2.50	195,024	100.00
Celebrity	N.A.		26,771	29.00	64,620	70.00	4,985	5.40	7,754	8.40
Camaro	178,808	100.00	N.A.		N.A.		14,841	8.30	178,808	100.00
Citation	22,197	13.40	N.A.		143,450	86.60	N.A.		2,816	1.70
Malibu	1,394	1.20	18,580	16.00	95,223	82.00	N.A.		N.A.	
Monte Carlo	N.A.		27,994	30.30	64,396	69.70	9,516	10.30	N.A.	
Chevrolet	2,070	1.10	79,411	42.20	106,697	56.70	56,453	30.00	78,094	41.50
Corvette	25,407	100.00	N.A.		N.A.		22,587	88.90	N.A.	
Oldsmobile Division	70,237	10.00	423,175	60.25	230,456	32.81	351,188	50.00	110,239	15.70
Omega	14,890	19.22	N.A.		64,230	82.91	3,292	4.25	4,834	6.24
Firenza	30,108	100.00	N.A.		N.A.		720	2.39	30,108	100.00
Cutlass/Supreme	21,358	10.99	100,764	51.85	72,216	37.16	43,512	22.39	21,552	11.09
Cutlass/Ciera	3,881	3.83	62,180	61.37	55,138	54.42	20,973	20.70	19,879	19.62
Oldsmobile	N.A.		226,303	85.34	38,875	14.66	248,763	93.81	5,913	2.23
Toronado	N.A.		33,928	100.00	N.A.		33,928	100.00	27,953	82.39
Pontiac Division	314,900	59.37	186,450	35.15	29,057	5.48	78,903	14.88	338,247	63.77
J-2000	118,859	100.00	N.A.		N.A.		2,734	2.30	118,859	100.00
T1000	44,489	100.00	N.A.		N.A.		N.A.		41,089	92.40
Firebird	116,364	100.00	N.A.		N.A.		18,153	15.60	116,364	100.00
Phoenix	9,391	19.10	10,718	21.80	29,057	59.10	1,131	2.30	4,228	8.60
Grand Prix	22,985	28.50	57,665	71.50	N.A.		24,114	29.90	32,179	39.90
Bonneville/LeMans	N.A.		80,440	100.00	N.A.		27,269	33.90	13,916	17.30
6000	2,832	7.00	37,627	93.00	N.A.		5,502	13.60	11,612	28.70
VOLKSWAGEN	102,664	100.00	N.A.		N.A.		N.A.		102,664	100.00

Total Cars, U. S. . . 2,402,482 42.06 1,958,724 34.29 1,447,728 25.34 1,370,183 23.99 2,751,129 48.16

Note: Figures are generally based on U. S. production. However, some Canadian-only sourced cars, or those where U. S. production does not give an accurate reading of the figures, are included in some instances. Specific models include Chrysler's Gran Fury, Cordoba, New Yorker, Diplomat and Mirada; Standard-size Ford, EXP and LN7.

Figures are based on production of 5,712,297 '82 models, including 3,505,671 GM cars, 1,308,516 Ford cars, 724,548 Chrysler models, 70,896 AMC and 102,664 Volkswagens.

GM's total includes 739,984 Buicks, 235,584 Cadillacs, 1,297,357 Chevrolets, 702,340 Oldsmobiles and 530,406 Pontiacs. Ford's total includes 885,350 Ford Division and 423,166 Lincoln-Mercury models. Chrysler's total includes 448,419 Chrysler-Plymouth and 276,129 Dodge cars.

Bankers say they're hurting from makers' cut-rate loans

BOSTON. — The discount-rate auto loans offered by the finance arms of the American manufacturers and some imports, are having an effect on regional banks.

They're hurting. The discounted loans began as an instrument to help dealers clear up hangovers from 1982 models. But the auto finance companies and dealers have continued the practice to generate momentum in the sales of 1983 models.

Big banks, such as Boston's Shawmut, where the auto rate has been 16 percent on new

cars for qualified customers, have seen auto loan business drop off as much as 50 percent. Smaller banks, like Brookline Savings, in a Boston suburb, has been charging 17 percent and things are dead there, according to a bank official.

But some banks that have been able to keep their interest rates more modest — 14 percent — are still doing business. Quincy Savings is one. Auto loans have been processed in recent months at about the same rate as this time last year.

However, one bank, Braintree Cooperative, with a rate of 13.5 percent, is down about 50 percent in auto loan business. Executives of the bank feel that this news of lower rate has not got through to the public.

Other banks, like Union Warren Savings in Boston, worked up a number of gimmicks to be able to offer 13.5-percent auto loans and a one percent discount, provided the customer coupled this with a super NOW account in the same bank, or have a payroll savings plan.

South Shore Bank, whose parent company is Multibank, did 82 percent more business in the last four months of 1982 than in the previous year — a factor unexplainable by bank officials.

A bank officer said that going to a bank for car financing can be a "demeaning experience," while financing with a dealer may be more comfortable.



Pontiac honors

E. J. Selland, right, Seland Motors Co., Fargo, N.D., is presented with his 25-year dealer award plaque by Max W. Dajnowicz, Minneapolis zone manager for Pontiac.

But 435,455 total trails 1981 count

January's output 55 pct. above '82

By Patricia Hoffman
Staff Writer

Domestic auto makers wrapped up the first month of 1983 with a 55.42 percent production increase over the total for January, 1982.

Last month, the manufacturers produced 435,455 cars, up from 280,179 built in the comparable month last year. The total compared with 459,862 in January, 1981.

January breakdown by company was: General Motors, 63.58 percent; Ford Motor, 20.89 percent; Chrysler Corp., 9.98 percent; American Motors, 3.28 percent; Volkswagen of America, 2.17 percent and Honda, 0.10 percent.

January truck production slightly above 1982 total

Domestic truck production in January rose 1.07 percent above the comparable 1982 period.

Last month, the makers produced 128,563 units, up from 127,201 built in January of last year. However, the total was 12.49 percent below the 146,913 trucks completed in January, 1981.

Output last week was targeted at 40,643 units, down slightly from the previous week's 40,654, but up a substantial 72.09 percent from 23,617 trucks built in the comparable 1982 week.

Year-to-date, there have been 163,571 trucks produced, up 6.16 percent from last year's 154,082 units.

The heavy and medium-duty

Bean elected president of Utah auto dealers

SALT LAKE CITY. — Merrill Bean, Merrill Bean Chevrolet-Saab, Inc., Ogden, has been elected president of the Utah Automobile Dealers Assn.

Norm Garrett, Spartan AMC-Jeep-Renault, Murray, is first vice president; Jay McQuivey, Tri-City Ford, Inc., American Fork, second vice president; Clarence Knight, Clarence Knight, Inc., Layton, third vice president, and Jim Wagstaff, Wagstaff's House of Toyota, Salt Lake City, secretary-treasurer.

Last week, the makers scheduled 114,717 cars, down 3.93 percent from the previous week's 119,409, but output more than doubled the 52,389 units built in the comparable 1982 period.

To date, there have been 527,405 cars assembled, a 55.07 percent gain over last year's 340,102.

Ford's San Jose facility was idle last week (Jan. 31) due to overstocked inventory.

Also down for inventory control was VW's Westmoreland point. Westmoreland, idled Jan. 24, is slated to return today (Feb. 7) minus second-shift operations. Output will be cut in half to 470 units a day on one

shift, placing about 1,500 workers on indefinite layoff.

The Eagle line at AMC's Kenosha plant was down last week for inventory adjustment, while output of Alliance increased from 800 units a day on two shifts to 632 units a day.

• Production of 1983 Thunderbirds began its second week last week at Ford's Atlanta point. Output is set at a rate of 37.5 units an hour on one shift. The facility also builds the LTD and Marquis models.

Daily overtime was scheduled last week at Chrysler's Jefferson and Newark plants. Each operated two nine-hour shifts.

GM will call back an estimated 7,700 indefinitely laid-off workers beginning in March as a result of production increases at four assembly points.

Starting March 7, production of Buick Regal and Chevrolet Monte Carlo and Malibu at GM's Arlington point will be upped from 45 to 56 units per hour on each of two shifts. An estimated 600 workers will return.

Also on that date, output of Chevrolet Cavalier and Pontiac 2000 at the Lordstown facility will be increased from 68 units an hour on one shift to 68 units an hour on two shifts. About 2,500 workers will return.

On March 14, the GM Framingham plant, closed since last October, will resume operations on one shift at the rate of 45 cars per hour. The plant will build Chevrolet Celebrity and Oldsmobile Cutlass Ciera models. An estimated 1,800 employees will be called back.

Beginning April 25, production of Buick Century, Chevrolet Celebrity and Chevrolet Citation at the Oklahoma City plant will be upped from 75 units an hour on one shift to 75 units an hour on two shifts. About 2,800 workers will be recalled from indefinite layoff.

Car-truck output slows in Canada, but tops 1982

While Canadian auto production last week fell 7.68 percent below the previous week's total, output more than doubled that of the comparable 1982 week.

Marred by downtime at Ford Motor's St. Thomas facility, the auto makers scheduled only 19,199 units last week, down from 20,796 built the previous week, but up substantially from 9,088 units produced in the comparable week last year.

Year-to-date, there have been 89,321 autos assembled, a 38.84 percent gain from last year's 64,333.

Truck output for the week was slated at 7,511 units, a 25.31 percent decline from the previous week's 10,056, but up 85.96 percent from 4,039 units assembled in the same period last year.

So far this year, the truck makers have finished 41,148 units, up 18.18 percent from 34,818 built in the comparable 1982 period.

Two Ford facilities were idled last week (Jan. 31) due to overstocked inventory. The Ford St. Thomas car point is slated to resume Feb. 14, and the Oakville truck plant is scheduled to return today (Feb. 7).

American Motors' Brampton facility resumed production last

U. S. CAR PRODUCTION

	Week Ended Feb. 5, 1983	Week Ended Feb. 6, 1982	Week Ended Jan. 29, 1983	Jan. Est.	Jan. 1 to Feb. 6, 1982	Jan. 1 to Feb. 5, 1983
AMERICAN MOTORS.....	3,100	.....	3,843	14,302	3,979	16,844*
AMC Total.....	.....	.....	826	1,657	.....	1,657
Concord.....	.....	.....	3	3	.....	3
Eagle.....	.....	.....	823	1,654	.....	1,654
Renault Total.....	3,100	.....	3,017	12,645	.....	15,187
Alliance.....	3,100	.....	3,017	12,645	.....	15,187
CHRYSLER CORP.....	15,700	4,071	14,821	43,468	40,805	55,954*
Plymouth Total.....	5,700	2,403	5,633	15,370	17,951	19,905
Horizon.....	1,800	.....	2,104	4,410	6,153	5,806
Reliant.....	3,800	2,403	3,487	10,812	11,798	13,866
Caravelle ('83).....	100	.....	42	148	.....	233
Chrysler Total.....	3,500	1	3,694	11,468	6,792	14,202
LeBaron.....	1,700	1	1,926	6,260	6,792	7,612
Chrysler E-Class.....	1,800	.....	1,768	5,208	.....	6,590
Dodge Total.....	6,500	1,667	5,494	16,630	16,062	21,847
Omni.....	2,400	.....	1,967	4,623	5,186	6,576
Aries.....	2,600	1,667	2,386	7,926	8,712	9,978
Dodge 400.....	700	.....	651	1,989	2,164	2,509
Dodge 600.....	800	.....	490	2,092	.....	2,784
FORD MOTOR.....	23,264	6,782	29,612	90,962	47,957	109,595
Ford Division.....	14,634	2,756	18,561	54,581	25,726	66,377
Escort.....	1,499	1,481	7,312	13,405	10,990	14,607
Fairmont.....	3,337	.....	2,995	12,612	3,084	15,257
Mustang.....	1,478	.....	1,651	6,918	4,311	8,078
LTD/Granada.....	4,255	1,275	3,229	13,140	4,580	16,583
Thunderbird.....	2,833	.....	2,222	4,632	2,528	6,946
Crown Victoria/Ford.....	1,024	.....	1,045	3,726	.....	4,591
EXP.....	208	.....	107	148	233	315
L-M Division.....	8,630	4,026	11,051	36,381	22,231	43,218
Mercury Total.....	6,585	2,438	8,963	27,679	13,769	32,889
Lynx.....	215	719	1,959	3,700	2,853	3,851
Capri.....	560	.....	387	1,503	1,020	1,962
Zephyr.....	1,358	.....	930	3,937	1,472	5,048
Marquis/Cougar.....	1,260	709	1,372	4,640	2,682	5,605
Cougar/XR7.....	1,229	.....	1,059	2,230	737	3,220
Gr. Marquis/Marquis.....	1,876	1,010	3,209	11,622	4,923	13,069
LN7.....	87	.....	47	47	82	134
Lincoln Total.....	2,045	1,588	2,088	8,702	8,462	10,329
Continental ('82).....	409	319	415	1,736	2,221	2,062
Lincoln.....	879	706	893	3,885	3,318	4,584
Mark VI.....	757	563	780	3,081	2,923	3,683
GENERAL MOTORS.....	72,553	37,927	71,033	276,859	236,500	335,068
Buick Division.....	17,179	9,323	18,193	68,772	54,663	82,628
Skyhawk.....	2,780	1,277	2,766	7,192	6,580	9,389
Skyhawk J.....	1,380	1,870	1,422	6,233	5,201	7,306
Century.....	2,666	2,605	3,307	11,371	11,316	13,419
Regal.....	5,080	814	5,611	23,432	12,789	27,633
Buick.....	4,611	2,757	4,409	17,562	16,490	21,369
Riviera.....	662	.....	678	2,992	2,187	3,512
Cadillac Division.....	6,389	2,407	7,383	29,219	23,712	34,331*
Cimarron.....	496	.....	462	2,114	493	2,516
Seville.....	758	.....	570	2,355	1,363	2,995
Eldorado.....	1,535	.....	1,673	6,832	4,252	8,021
Cadillac.....	3,600	2,407	4,678	17,918	17,604	20,799
Chevrolet Division.....	21,802	7,826	19,935	78,453	60,196	96,228
Chevette.....	4,539	.....	4,444	14,836	3,333	18,425
Cavalier.....	3,539	.....	3,148	12,894	13,469	15,783
Celebrity.....	1,122	756	1,460	5,969	4,076	6,881
Camaro.....	3,781	3,758	3,930	16,084	17,057	19,068
Citation.....	2,511	.....	2,625	9,443	11,141	11,462
Malibu.....	2,926	1,205	2,238	9,751	3,311	12,199
Monte Carlo.....	2,034	1,208	1,422	6,874	3,157	8,575
Chevrolet.....	1,150	432	588	2,462	1,692	3,505
Corvette.....	200	467	80	140	2,957	330
Oldsmobile Division.....	20,113	14,043	18,393	72,760	67,597	88,689
Omega.....	2,576	1,138	2,240	4,496	6,676	6,559
Firenza.....	790	1,462	762	2,957	11,452	3,602
Cutlass.....	6,060	3,868	5,156	22,295	13,780	27,341
Cutlass/Ciera.....	3,412	2,771	2,573	10,223	6,214	12,619
Oldsmobile.....	6,499	4,804	6,805	29,324	26,832	34,503
Toronado.....	776	.....	857	3,465	2,643	4,065
Pontiac Division.....	7,070	4,328	7,129	27,655	30,332	33,192
Acadian.....	.....	.....	583	977	.....	977
2000.....	1,606	.....	1,595	6,600	1,838	7,880
1000.....	1,187	.....	891	3,290	240	3,951
Firebird.....	1,473	2,169	1,585	6,430	9,073	7,717
Phoenix.....	685	.....	715	2,356	2,931	2,860
G. Prix/B'ville ('83).....	2,117	2,159	1,760	8,002	16,250	9,807
A6000.....	.....	.....	.....	.....	.....	.....
HONDA*.....	100*	.....	100*	420*	.....	500*
VOLKSWAGEN.....	.....	3,509	.....	9,444	10,561	9,444
CHECKER.....	.....	100*	.....	.....	300	.....
Total Cars, U. S.....	114,717	52,389	119,409	435,455	340,102	527,405

CANADIAN CAR PRODUCTION

	Week Ended Feb. 5, 1983	Week Ended Feb. 6, 1982	Week Ended Jan. 29, 1983	Jan. Est.	Jan. 1 to Feb. 6, 1982	Jan. 1 to Feb. 5, 1983
AMERICAN MOTORS.....	1,460	541	.....	3,093	1,926	4,362*
CHRYSLER CORP.....	4,440	2,263	3,777	17,285	16,977	20,957*
FORD MOTOR.....	3,814	315	8,547	17,093	12,018	20,144
GENERAL MOTORS.....	9,260	5,744	8,247	35,325	32,288	42,733
VOLVO.....	225	225	225	945	1,124	1,125
Total Cars, Canada.....	179,199	9,088	20,796	73,741	64,333	89,321
N. American Cars.....	133,916	61,477	140,205	509,196	404,435	616,726
N. American Trucks.....	48,154	27,656	50,710	163,621	188,900	204,719
North American Cars and Trucks.....	182,070	89,133	190,915	672,817	593,335	821,445

*—All Assemblies and Caravans are built for sale in Canada. *—Estimated.
*—Honda figures are estimated. Actual Honda production totals will be released next spring.

week following downtime for inventory control.

General Motors' car output continued to climb last week as second-shift operations at the company's St. Therese plant

reached full speed after returning Jan. 24.

Also at GM, second-shift operations are slated to resume at the Oshawa car point next week (Feb. 14).

TRUCK PRODUCTION IN U. S.†

	Week Ended Feb. 5, 1983	Week Ended Feb. 6, 1982	Week Ended Jan. 29, 1983	Jan. Est.	Jan. 1 to Feb. 6, 1982	Jan. 1 to Feb. 5, 1983
CHEVROLET.....	13,851	9,127	11,820	45,368	60,457	59,219
DODGE.....	2,700	1,204	2,487	5,461	11,347	7,612*
FORD.....	16,955	6,420	17,508	48,263	39,458	61,840
GMC.....	4,192	3,765	4,666	16,915	21,811	20,337
INTERNATIONAL.....	1,030	1,011	1,018	3,558	5,628	4,382
VOLKSWAGEN.....	.....	690	.....	.....	2,018	.....
JEEP.....	885	.....	2,105	4,588	6,213	4,931*
AM GENERAL.....	50*	.....	50*	210*	150*	250*
MISCELLANEOUS.....	1,000*	1,400*	1,000*	4,200*	7,000*	5,000*
Total Trucks, U. S.....	40,643	23,617	40,654	128,563	154,082	163,571

CANADIAN TRUCK PRODUCTION

	Week Ended Feb. 5, 1983	Week Ended Feb. 6, 1982	Week Ended Jan. 29, 1983	Jan. Est.	Jan. 1 to Feb. 6, 1982	Jan. 1 to Feb. 5, 1983
CHRYSLER CORP.....	2,652	1,375	2,706	11,251	8,035	13,454*
FORD MOTOR.....	196	359	3,067	6,618	6,878	5,775
GENERAL MOTORS.....	4,398	2,145	4,013	16,600	18,706	20,118
INTERNATIONAL.....	265	160	270	589	1,199	801
Total Trucks, Canada.....	7,511	4,039	10,056	35,058	34,818	41,148
N. American Trucks.....	48,154	27,656	50,710	163,627	188,900	204,719

†—Now includes wheeling production. *—Estimated.
*—Includes commercial only. AM General includes government-department vehicles.

Automotive News

October 11, 1983

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2/18/83

Going for broke... NADA convenes in Las Vegas

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Pontiac pet



Topless Sunbird bows in May

The Pontiac 2000 Sunbird convertible will be available in limited production at Pontiac dealers in May. It is equipped with a standard 1.8-liter overhead cam electronic fuel injected four-cylinder engine with a five-speed manual transmission. Other standard features include dual sport mirrors, custom interior with a luxury steering wheel and full reclining bucket seats, power windows, added body acoustics, power steering, handling package and steel-belted black tires.

Auto uptick raises hopes as convention opens

Optimism swells at NADA

LAS VEGAS. — NADA's 66th convention and exposition opened here with what appeared to be a swelling of optimism and some scattered signs that better times lie ahead.

This is a welcome development, considering that the two most recent annual NADA conventions have been affairs of sombre nature.

Problems that have bedeviled the industry in recent years have not been solved, but there is a growing conviction that relief may be just around the corner.

In 1982 in Atlanta and in 1981 in Los Angeles, the convention watchword was "survival." This year it is "recovery."

The market has shown some signs of reawakening in recent weeks. Interest rates have moderated. The inflation spiral has slowed. There are some exciting new models on tap. Showroom

traffic is trickling upward.

Dealers — the eternal optimists — are telling each other that the industry has started its long haul back.

Early registrations indicate that convention attendance will be up 20 percent or more from last year. Some 12,000 persons, including 3,500 dealers, are expected to register before the convention closes. Las Vegas normally is one of NADA's more popular convention cities.

• George W. Lyles, who will be succeeded as NADA president during the convention by William C. Turnbull, is one of those who expects better times ahead.

"Dealer optimism is very obvious," Lyles said on the eve of the convention. "We think there will be a gradual increase (in business) all year long."

Lyles termed factory rehiring an indication that the comeback has started, although he said that, geographically, business improvement has been a bit spotty.

William E. Hancock Jr., a Buick dealer in Columbia, S. C., 1975 NADA president and founder and chairman of DEAC, is one of the industry's optimists here.

"We are not in recession or

depression," Hancock said. "We are in a period of transition in selling cars and in the economy."

"This is a time of restructuring."

Dealers are off the golf course and back in the showroom, Hancock said, and there "may be a few more shakeouts to come, but not many."

"We are really in for a turnaround," he said.

• Turnbull, in chatting with AUTOMOTIVE NEWS just prior to the convention opening, said he is concerned about protection of the dealers' profit potential and long-range planning to ensure dealer survival in the '80s and '90s.

As for the immediate outlook, Turnbull said, "I talk to a lot of dealers around the country and some are up, and some are down."

"But I get the feeling we are about to start upward again."

Dealers, he said, must keep a close eye on the factory, which can exert pressure in its efforts to get back into the black. He mentioned pared discounts, co-pay plans and the possible elimination of holdbacks.

In general, corridor conversations have a brighter tone this year. Perhaps it is because those

Continued on Page 170, Col. 4

Domestic dealer count drops for 27th year; total is 20,799

By John K. Teahen Jr.
Managing Editor

Another year of depressed sales and slim—if any—profits brought another major decline in the number of dealers handling domestic makes of passenger cars.

The annual AUTOMOTIVE NEWS census found 20,799 dealers selling U. S.-built cars on Jan. 1, 1983, compared with 21,680 at the beginning of 1982.

That is a decline of 881 outlets, or 4.06 percent of the year-earlier population.

The drop would have been greater if Renault had not joined the ranks of the domestics. The Alliance, which accounts for the bulk of Renault's sales in this country, arrived at the beginning of the 1983 model year. It is produced by American Motors in Kenosha, Wis.

Although Renault has 1,322

outlets, it added only 107 to the overall domestic total. That is because of the intricate structure of intracorporate and intercorporate dealing. Virtually all of the Renault points are twinned with other domestic makes (principally AMC) and thus were already counted in the dealer census.

Without Renault, the current tally would be 20,692, down 988 from last year's 21,680. That is the decline for the Big Three, AMC and Volkswagen. In 1981, the Big Three and AMC lost 984 outlets. In 1980, the decline was a staggering 1,607.

Last year marked the 27th consecutive decline in the domestic dealer count. During that period, the total has dipped from 41,018 to the current 20,799.

• From a standpoint of dealer totals, Chrysler Corp. is the only domestic maker that will remember 1982 with any degree of fondness. The company was down only 47 for the year,

Continued on Page 8, Col. 1

Time names Cooper Quality Dealer of Year

LAS VEGAS. — Time Magazine has named John Haggin Cooper, manager of Logan, Haggin & Cooper (Ford), Georgetown, Ky., as the 1983 Time Magazine Quality Dealer of the Year.

He will serve as official national spokesman during the year for all 62 recipients of the Time Magazine Quality Dealer Award (TMQDA) and represent them at meetings in Washington with Cabinet members and his congressional delegation.

Cooper's award was announced at the NADA convention here. Cooper and the other recipients were honored at the opening business meeting.

Cooper was one of 20 franchised new-car dealers who were finalists in the 14th annual TMQDA program.

Sponsored by Time in cooperation with NADA, the TMQDA program annually honors outstanding franchised new-car dealers, both domestic and imported, for exceptional performance in their dealerships com-

bined with distinguished community service.

Recognition for all finalists includes publication of their names and pictures in Time Magazine.

Director of the TMQDA program is Michael M. Carey, division

Continued on Page 24, Col. 3



John Haggin Cooper
Kentucky Ford dealer ...

breaking news

Ford changing corporate ad setup

DETROIT.—Young & Rubicam will lose the Ford North American Automotive Operations (NAAO) account this summer because of a management shift at Ford. NAAO will no longer be an advertising administrative entity within Ford. The "Quality is Job 1" campaign, handled by Y&R but initiated by Wells Rich Greene, will be administered out of central staff through WRG. It will be melded with "Ford in Your Future" into one corporate campaign. Jackie Stewart will cease being a corporate spokesman, but will return to become a Ford Division spokesman.

GM recruiting South Gate workers

DETROIT.—General Motors has begun recruiting workers from its closed South Gate (Calif.) assembly plant to work at the company's Oklahoma City facility. According to GM, the Oklahoma City plant cannot find enough workers to fill spots on the second shift. The company said about 400 addi-

See BREAKING NEWS, Page 8, Col. 1

Ford chairman is keynoter for Automotive News Week

Caldwell to open World Congress

Philip Caldwell, chairman of Ford Motor Co., will kick off Automotive News Week in Detroit by delivering keynote remarks at the eighth annual Automotive News World Congress.

Automotive News Week will be observed July 10-14, with the Automotive News World Congress in session July 10-13 at the Westin Hotel in the Renaissance Center and the Automotive News World Expo open July 11-14 at nearby Cobo Hall, Detroit's main exhibition center.

Caldwell, as keynoter of the World Congress, is expected to deliver a "state of the industry" report to those attending the opening of the 3½-day affair.

"With the difficulties and challenges now facing the domestic industry, we feel certain this year that Automotive News Week will be more valuable than ever before to participants," said Keith E. Crain, publisher and editorial director of AUTOMOTIVE NEWS.

There will be a strong inter-

national flavor to both portions of Automotive News Week, as has been the case in the past.

• Participants in the World Congress will get a close-up look at the industry's promises, needs and problems, with emphasis on future impact. Presentations will be made by 34 industry leaders.

At World Expo, suppliers and would-be suppliers from around the world will exhibit automo-

Continued on Page 183, Col. 1

More competition between divisions, suppliers is sought

GM centralizing, decentralizing

By Marjorie Sorge
Labor Editor

General Motors is traveling in two directions at once.

It is moving back to Alfred P. Sloan's "coordinated decentralization" and at the same time heading toward "coordinated centralization" as it merges its manufacturing operations and individualizes its car divisions.

In an interview with AUTOMOTIVE NEWS, GM President F. James McDonald said the new GM direction will result in:

1. Paying suppliers by the car. They have been paid on a part-unit basis.

2. More competition among the car divisions.

3. More competition among the internal and external suppliers, with some internal suppliers competing on a plant-to-plant basis.

4. Longer-term contracts for suppliers.

5. Little change in GMAD — it remains a contract assembler.

6. Little further change in Fisher Body Division which will be reduced by four plants by 1985, leaving it with 21 domestic facilities.

7. Excess capacity in press operations and iron foundries.

According to McDonald, one big change could be that suppliers will be paid on a per-car basis. For example, if a supplier's part is on each car and GM builds 800 of those cars a day at a specific plant, the supplier would be paid for 800 parts. Any scrap would be shipped back to the supplier, he said, but if GM creates that scrap, then "it's our baby and we have to pay them (suppliers)."

"We envision working with suppliers that are good, solid suppliers that have proven themselves over a period of time," he said. "You don't have to count (the number of parts shipped in) or check their quality."

As the car divisions become more independent, specialized and competitive with each other, their supplier networks will be affected. According to McDonald, items like steel and tires will still be centralized and the divisions will continue to choose their suppliers for other materials. But the way suppliers are chosen will be different.

GM has indicated that most suppliers must have facilities within a 100-mile radius of the plants they are supplying, but McDonald said that distance could be stretched.

"You can go 150 or 200 miles and provide a ship-back for the carrier, then you cut your costs, too," he said.

Basically, suppliers must be able to deliver parts within one day, but McDonald emphasized that suppliers with heavy investments would not be axed simply because they could not meet the one-day criterion.

However, the number of suppliers will be cut. In the past, GM executives have indicated that the number will be reduced by 50 percent within the next few years. GM has about 20,000 suppliers.

At the same time, GM plans to make long-term agreements with its suppliers based on their delivery ability and quality.

"We look at car lines to pay off over a three, four or five-year period," McDonald said. "A supplier certainly can't make a major capital investment and only know that he is going to have the business a year."

Unlike Ford Motor Co., GM has no plan to base its long-term contracts on a supplier's ability to control labor costs and productivity, McDonald said. The Ford plan was introduced a few months ago and has generated a great deal of criticism from the UAW.

"Suppliers have got to be cost competitive, but I don't think

cost or price are the only criteria," McDonald said. "High quality, good products, good service and good performance over a long period of time — that's worth paying for."

While outside suppliers will become more competitive, so will GM's internal suppliers. According to McDonald, plants will be able to make themselves more competitive by agreeing to work-rule changes and other cost-cutting measures. He said workers must be made aware of the reason a plant stands to lose business and be given the opportunity to adjust costs.

"If the workforce can do something about it, then fine; but if they can't, then I guess they have to face the consequences," he said. "But we (management) have got to help. We can't walk away. But we can't continue to run plants that aren't competitive in the marketplace."

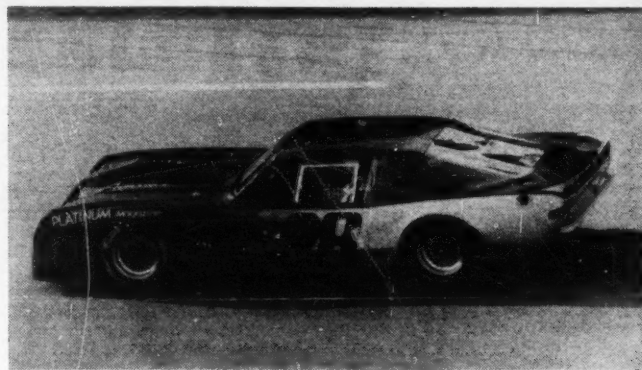
• GM has done a great deal of consolidating over the past year and has closed some plants it judged to be non-competitive. But, McDonald said, the company does not plan to close a lot more operations. He indicated there will be excess capacity in press operations and iron foundries because of the smaller cars and engines.

Last week, GM announced it was putting all foundry operations under the Central Foundry Division. Company insiders say consolidating these kinds of operations makes it easier to close plants with excess capacity. In the past when the divisions had control of manufacturing operations, they were reluctant to close the plants, not wanting to lose their parental influence.

According to one GM insider, the company plans to close another foundry this year. Given the excess capacity in iron foundries, the closing would more than likely be one of those operations. There are currently eight iron foundries in five cities: Danville, Ill.; Defiance, O.; Pontiac; Saginaw, and Tonawanda, N. Y.

GM has also consolidated its transmission assembly under the Hydra-matic Division. Automatic transmission engineering has been under that division for quite some time. When the 440 transmission, a four-speed automatic, was developed, GM decided to assign its assembly to Hydra-matic, according to McDonald. That transmission will be used in the A-cars beginning this spring, he said.

The old transmission assembly



Avanti at speed

An Avanti was entered in this year's Daytona 24-Hour Pepsi Challenge by Steve Blake, new owner of Avanti Motor Corp. The Avanti finished in 27th position. Of the 79 starters, 30 cars finished the 24-hour enduro.

GM profits for 1982 climb to \$962.7 million

By Kathleen Hamilton
Financial Editor

General Motors' earnings for both the fourth quarter and all of 1982 increased compared with 1981 but — depending on one's outlook — the auto and truck manufacturing operations either lost money or showed a small profit for the year.

GM's operating income—from its manufacturing operations — was listed in the black. But better than a third of the income was garnered by accounting credits given for currency exchange.

If those credits and GM's long-term interest charges for the year are subtracted, the only money-makers for GM in 1982 were financing and insurance.

Tax credits and cost reductions — including labor reductions — also figured strongly in the 1982 net income of \$962.7 million (\$3.09 a share).

That compares favorably with the \$333.4 million (\$1.07 a share) earned in 1981 and the 1980 loss of \$762.5 million (-\$2.65 a share).

But it falls far short of GM's pre-recession earnings of \$2.89

Continued on Page 183, Col. 4

GM-Toyota deal on U.S. assembly reported reached

General Motors and Toyota have agreed to joint production of a car in the U. S., according to a report issued last week by a Japanese news agency.

The industry was waiting for confirmation as AUTOMOTIVE NEWS went to press.

Although the report said an agreement had been "reached," officials in the U. S. said it had not yet been "signed."

A signing and an official announcement is expected today (Feb. 14) or tomorrow (Feb. 15).

According to the Japanese report, the agreement will establish a jointly owned company to produce 200,000 small cars a year, beginning late next year, in a now-idle GM plant in Fremont, Calif.

The report said the venture would be capitalized at \$300 million initially, and that the car would have 50 percent U. S. content.

GM and Toyota have been dickering for nearly a year on a proposal for joint production in the U. S.

GM reportedly will begin annual imports of an additional 300,000 small cars from Isuzu and Suzuki in 1984.

Dealer shop volume gains 8.5 pct. in '82

By Francis J. Gawronski
Service Editor

Cushioned by a good month of shop volume in December, new-car dealers' service and parts business for all of 1982 recorded its sixth best showing in the 22-year history of the Automotive News Service Index.

Service and parts business new-car dealerships across the country for 1982 amounted to 108.5 percent of the volume recorded for all of 1981. The record was posted in 1978, when shop volume rose 12.0 percent above the shop business done in all of 1977.

In 1981, dealer shop business amounted to 105.5 percent of the volume done in the previous 12-month period, and in 1980, it was 98.3 percent of the year-earlier volume.

According to the Service Index, service and parts business in December amounted to 108.7 percent of the volume achieved in the same month of 1981.

December also marked the 22nd consecutive month that the Service Index has shown an increase over the year-earlier month.

All indicators used in the Service Index, except repair orders written, made good gains in the 12-month period of 1982. In December, all five indicators registered good increases.

Gross profit on all labor, parts and accessory sales — the most important indicator to dealers — gained a healthy 10.6 percent over the previous 12-month period. In December, profits were up 13.6 percent.

Repair orders written declined

3.4 percent for the full year, while they showed a gain of 4.8 percent in December over the year-earlier figure.

Total labor sales — customer-paid and warranty — were up 8.6 percent for the year and up 6.9 percent in December.

Shop parts sales (customer-paid and warranty) advanced 11.8 percent in 1982 and 10.1 percent in December.

Sales of all parts and accessories jumped 11.7 percent for the year, while December's business increased 9.1 percent over the volume recorded in the same month of 1981.

Figures used in the Service Index are compiled from monthly reports on service and parts business from a cross-section of the nation's new-car dealers.

SERVICE INDEX
108.7*

	Dec. '82	12 mos., '82	vs.	Dec., '81	12 mos., '81
Gross Profit on					
All Labor and					
P&A Sales	+13.6%	+10.6%			
Repair Orders					
Written	+4.8%	-3.4%			
Total Labor Sales					
(Customer					
& Warranty)	+6.9%	+8.6%			
Shop Parts Sales					
(Customer					
& Warranty)	+10.1%	+11.8%			
Sales of All					
Parts and					
P&A	+9.1%	+11.7%			

*Survey by Automotive News shows that dealers' service and parts business in Dec., 1982, was 108.7 percent of business in Dec., 1981. Service business in the 12 months of 1982 was 108.5 percent of business in the corresponding period in 1981.

Bricklin to market Spider 2000; sales goal is 5,000 in '83

Pininfarina to use U.S. distribution

Pininfarina announced last week it would market its Spider 2000 in the U. S. through a distributor, International Automobile Importers, Inc.

Although the Pininfarina statement, issued in Europe, did not mention Malcolm Bricklin, IAI is Bricklin's firm.

On Jan. 17, AUTOMOTIVE NEWS reported that Fiat intended to withdraw from the U. S. car market and that the only two models Fiat sold in this country, the Bertone X1/9 and the Spider 2000, would be marketed by a new company headed by

Bricklin.

In last week's statement, Pininfarina said the U. S. sales goal for 1983 is 5,000 cars, but that the company hopes to double that within a few years.

Pininfarina said it recognizes the U. S. as an important market.

Bertone last month said the X1/9 would be marketed in the U. S. by an independent distributor, but Bertone has not yet identified the distributor.

Fiat Motors of North America, in a statement issued in the wake of the Jan. 17 AUTOMOTIVE NEWS story, said it would main-

tain technical, warranty and service departments in the U. S. to support Fiats now on the road. It said it would continue to sell parts and accessories.

Pininfarina's sales goal for 1983 seems modest in view of the fact that Fiat sold 4,824 Spiders here in 1982.

Pininfarina manufactured 26,000 bodies in 1982, including 3,500 Spiders.

"As you see," President Sergio Pininfarina told AUTOMOTIVE NEWS last week, "the Spider 2000 is relatively small business for Pininfarina."